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Supreme Court, U.S.
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No.

In the Supreme Court of the United States

OCTOBER TERM, 1999

CHING-RONG WANG, PETITIONER

v.

WINNER INTERNATIONAL ROYALTY CORPORATION, RESPONDENT

*ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT*

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Title 35, section 146 of the United States Code provides for a civil action by any party dissatisfied with the decision of the Board of Patent Appeals and Interferences in an interference and provides that in such civil action, the record of the Patent and Trademark Office be admitted, the parties can further cross-examine the witnesses, and "without prejudice to the right of the parties to take further testimony."

In *Dickinson v. Zurko,* 119 S.Ct. 1816, 527 U.S. 150 (1999) this Court held that the reviewing court must use the framework set forth in Section 706 of the Administrative Procedure Act ("APA") (5 U.S.C. §§ 551, et seq.) when reviewing findings of fact made by the U.S. Patent and Trademark Office ("PTO"). In so doing, this Court held that a court reviewing the factual findings of the PTO must apply a "substantial evidence" standard of review as required by the APA. In this instant Petition, this Court is asked to decide a virtually identical question. The questions presented in this case are:

Whether a district court, when reviewing factual findings of the PTO, must apply the standards of review set forth in Section 706 of the APA; and

Whether a district court is allowed to engage in a de novo review of factual findings of the PTO in a 35 U.S.C. § 146 proceeding.

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PETITION FOR A WRIT OF CERTIORARI

Yanny & Grieco, on behalf of Ching-Rong Wang, respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The opinion of a panel of the court of appeals (App., *infra*, 1a-24a) is reported at 202 F.3d 1340. The opinion of the United States District Court for the District of Columbia (App., *infra*, 25a-37a) is reported at 11 F.Supp.2d 18. The opinions of the Board of Patent Appeals and Interferences (App, *infra*, 38a-146a) are unreported.

JURISDICTION

The judgment of the court of appeals was entered on January 27, 2000. On February 10, 2000, Petitioner filed a petition for rehearing and a petition for rehearing en banc with the court of appeals. On March 6, 2000, the court of appeals denied the petition for rehearing and petition for rehearing en banc. The jurisdiction of the Court is invoked under 28 U.S.C. 1254(1).

STATUTORY PROVISIONS INVOLVED

1. Section 556 of Title 5 of the United States Code (drawn from Section 7 of the Administrative Procedure Act, Pub. L. No. 404, ch. 324, 60 Stat. 241) provides in pertinent part as follows:

§ 556. Hearings; presiding employees; powers and duties; burden of proof; evidence; record as basis of decision

(a) This section applies, according to the provisions thereof, to hearings required by section 553 or 554 of this title to be conducted in accordance with this section.

(b) There shall preside at the taking of evidence--

(1) the agency;

(2) one or more members of the body which comprises the agency; or

(3) one or more administrative law judges appointed under section 3105 of this title.

This subchapter does not supersede the conduct of specified classes of proceedings, in whole or in part, by or before boards or other employees specially provided for by or designated under statute. The functions of presiding employees and of employees participating in decisions in accordance with section 557 of this title shall be conducted in an impartial manner. A presiding or participating employee may at any time disqualify himself. On the filing in good faith of a timely and sufficient affidavit of personal bias or other disqualification of a presiding or participating employee, the agency shall determine the matter as a part of the record and decision in the case.

(c) Subject to published rules of the agency and within its powers, employees presiding at hearings may--

(1) administer oaths and affirmations;

(2) issue subpenas authorized by law;

(3) rule on offers of proof and receive relevant evidence;

(4) take depositions or have depositions taken when the ends of justice would be served;

(5) regulate the course of the hearing;

(6) hold conferences for the settlement or simplification of the issues by consent of the parties or by the use of alternative means of dispute resolution as provided in subchapter IV of this chapter;

(7) inform the parties as to the availability of one or more alternative means of dispute resolution, and encourage use of such methods;

(8) require the attendance at any conference held pursuant to paragraph (6) of at least one representative of each party who has authority to

negotiate concerning resolution of issues in controversy;

(9) dispose of procedural requests or similar matters;

(10) make or recommend decisions in accordance with section 557 of this title; and

(11) take other action authorized by agency rule consistent with this subchapter.

(d) Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof. Any oral or documentary evidence may be received, but the agency as a matter of policy shall provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence. A sanction may not be imposed or rule or order issued except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with the reliable, probative, and substantial evidence. The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of section 557(d) of this title sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur. A party is entitled to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. In rule making or determining claims for money or benefits or applications for initial licenses an agency may, when a party will not be prejudiced thereby, adopt procedures for the submission of all or part of the evidence in written form.

(e) The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, constitutes the exclusive record for decision in accordance with section 557 of this title and, on payment of lawfully prescribed costs, shall be made available to the parties. When an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary.

2. Section 559 of Title 5 of the United States Code (drawn from Section 12 of the Administrative Procedure Act, Pub. L. No. 404, ch. 324, 60 Stat. 244) provides in pertinent part as follows:

§ 559. Effect on other laws; effect of subsequent statute

This subchapter, [and] chapter 7 * * * of this title, * * * do not limit or repeal additional requirements imposed by statute or otherwise recognized by law. Except as otherwise required by law, requirements or privileges relating to evidence or procedure apply equally to agencies and persons. Each agency is granted the authority necessary to comply with the requirements of this subchapter through the issuance of rules or otherwise. Subsequent statute may not be held to supersede or modify this subchapter, [or] chapter 7 * * * of this title, * * * except to the extent that it does so expressly.

3. Section 701 of Title 5 of the United States Code (draws from Sections 2 and 10 of the Administrative Procedure Act, Pub. L. No. 404, ch. 324, 60 Stat. 237 and 243) provides in pertinent part as follows:

§ 701. Application; definitions

(a) This chapter applies, according to the provisions thereof, except to the extent that–

(1) statutes preclude judicial review; or

(2) agency action is committed to agency discretion by law.

(b) For the purpose of this chapter--

(1) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include--

(A) the Congress;

(B) the courts of the United States;

(C) the governments of the territories or possessions of the United States;

(D) the government of the District of Columbia;

(E) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

(F) courts martial and military commissions;

(G) military authority exercised in the field in time of war or in occupied territory; or

(H) functions conferred by sections 1738, 1739, 1743, and 1744 of title 12; chapter 2 of title 41; subchapter II of chapter 471 of title 49; or sections 1884, 1891-1902, and former section 1641(b)(2), of title 50, appendix[.]

4. Section 703 of Title 5 of the United States Code (drawn from Section 10(b) of the Administrative Procedure Act, Pub. L. No. 404, ch. 324, 60 Stat. 243) provides in pertinent part as follows:

§ 703. Form and venue of proceeding

The form of proceeding for judicial review is the special statutory review proceeding relevant to the subject matter in a court specified by statute or, in the absence or inadequacy thereof, any applicable form of legal action, including actions for declaratory judgments or writs of prohibitory or mandatory injunction or habeas corpus, in a court of competent jurisdiction. If no special statutory review proceeding is applicable, the action for judicial review may be brought against the United States, the agency by its official title, or the appropriate officer. Except to the extent that prior, adequate, and exclusive opportunity for judicial review is provided by law, agency action is subject to judicial review in civil or criminal proceedings for judicial enforcement.

5. Section 706 of Title 5 of the United States Code (drawn from Section 10(e) of the Administrative Procedure Act, Pub. L. No. 404, ch. 324, 60 Stat. 243) provides in pertinent part as follows:

§ 706. Scope of review

To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall--

> (1) compel agency action unlawfully withheld or unreasonably delayed; and

(2) hold unlawful and set aside agency action, findings, and conclusions found to be--

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;

(D) without observance of procedure required by law;

(E) unsupported by substantial evidence in a case subject to sections 556 and 557 of this title or otherwise reviewed on the record of an agency hearing provided by statute; or

(F) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court.

In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.

6. Section 146 of Title 35 of the United States Code (drawn from Section 1, ch. 950, 66 Stat. 803, July 19, 1952) provides in pertinent part as follows:

§ 146. Civil action in case of interference

Any party to an interference dissatisfied with the decision of the Board of Patent Appeals and Interferences on the interference, may have remedy by civil action * * *. In such suits the record in the Patent and Trademark Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent and Trademark Office when admitted shall have the same effect as if originally taken and produced in the suit.

STATEMENT

1. Before the PTO

Petitioner and Respondent[1] are manufacturers of automotive products including steering wheel mounted anti-theft devices known respectively as the Gorilla Grip and the Super Club. (See, App., *infra*, 2a). Petitioner obtained a patent on December 19, 1989, No. 4,887,443 ("the '443 patent") and Respondent obtained by assignment, patent No. 4,935,047 ("the '047 patent"), issued on June 19, 1990, application No. 07/478,411 ("the '411 application"), filed on February 12, 1990, and application No. 07/627,975 ("the '975 application"), filed on December 17, 1990. (See, App., *infra*, 33a-35a).

This appeal arose from an interference proceeding declared on August 8, 1991. (See, App., *infra*, 35a). The interference began after Respondent amended its pending '975 application to include a claim identical to a claim in Petitioner's '443 patent. (See, App., *infra*, 35a). The interference initially involved claim 12 of Respondent's '975 application and claim 1 of Petitioner's '443 patent as corresponding to Count 1. (See, App., *infra*, 35a). Petitioner then filed a motion under 37 CFR §1.633(a) alleging that both of the parties' involved claims, i.e., Petitioner's claim 1 and Respondent's claim 12, were unpatentable for obviousness in view of Johnson considered with Moore, WuROC, Burns and Sholes. (See, App., *infra*, 35a). In addition, Petitioner filed a request to add Respondent's '411 application and Respondent's '047 patent to the Interference on the ground that claims 9-11 of the former and claims 1-4 of the latter were directed to the same patentable invention as Count 1. (See, App., *infra*, 35a-36a).

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[1] Respondent will refer to both the inventor/assignor Jinn F. Wu of the '047 patent, and the '411 and '975 applications, as well as the assignee Winner International Royalty Corporation. In the Board proceedings, Jinn F. Wu was in the position of senior party. In the district court, Winner International Royalty substituted for Mr. Wu as the plaintiff, and continued as the plaintiff-appellee in the court of appeals.

Respondent also filed a number of preliminary motions, including: 1) a 37 CFR §1.633(a) motion seeking judgment against claim 1 of Petitioner's '443 patent on the ground of anticipation or obviousness over Respondent's '047 patent; and 2) a 37 CFR §1.633(c)(1) motion seeking to replace Count 1 with a proposed new count A (hereinafter "Count 2") and seeking to add a new claim 13 to the '975 application which was identical to proposed Count 2. (See, App., *infra*, 36a-37a).

The administrative patent judge ("APJ") granted Respondent's motion alleging unpatentability of Petitioner's claim over the '047 patent, as well as Petitioner's motion alleging that claim 1 of the '443 patent and claim 12 of Respondent's '975 application were unpatentable for obviousness over Johnson in view of Moore, Wu-ROC, Burns and Sholes. (See, App., *infra*, 37a). The APJ found that one skilled in the art: 1) would have considered the Johnson device disadvantageous in that it required a key to be installed on the steering wheel; and 2) would have recognized that only the middle groove shown in the Wu-ROC locking rod had a side wall "vertical" enough to provide locking engagement with the locking pin. (See, App., *infra*, 37a). Furthermore, the APJ found that Burns and Sholes were cumulative in view of Grimaldi, and thus, he was relying on all three references in the alternative. (See, App., *infra*, 37a).

Ultimately, the APJ: 1) granted Petitioner's request to add Respondent's '411 application and the '047 patent to the Interference; and 2) granted Petitioner's 37 CFR §1.633(c)(3) motion to designate claims 9-11 of the former and claims 1-4 of the latter as corresponding to the Count. (See, App., *infra*, 40a). The APJ also stated that his earlier determination that claim 12 of the '975 application and claim

1 of Petitioner's '443 application were unpatentable for obviousness extended to the newly added claims. (See, App., *infra*, 40a).

The APJ granted Respondent's previous §1.633(c)(1) motion to replace Count 1 with Count 2 so that the Count would be broad enough to encompass the newly added claim 9 of the '411 application. (See, App., *infra*, 40a). The Interference was accordingly redeclared to replace Count 1 with Count 2 and to designate claims 9-11 of the '411 application and claims 1-4 of the '047 patent as corresponding thereto together with claim 12 of the '975 application and claim 1 of Petitioner's '443 patent. (See, App., *infra*, 40a).

Subsequently, Respondent filed numerous papers and motions: 1) seeking to reinstate the show cause order to the extent it ordered Petitioner to show cause why judgment should not be entered against his patent claim for unpatentability; 2) requesting reversal of the holding that claim 12 of the '975 application lacked written description support; and 3) requesting reversal of the decision denying Respondent's motion to add claim 13 to the '975 application. (See, App., *infra*, 40a-41a). Respondent also argued that 35 U.S.C. §291 precluded the APJ from adding the '047 patent to the Interference. (See, App., *infra*, 41a).

Additionally, Respondent filed a motion under 37 CFR §1.633(c)(4) to designate claims 1-3 of the '047 patent and claims 10 and 11 of the '411 application as not corresponding to Count 2 and a second motion under 37 CFR §1.633(c)(l) to add a new claim 13 identical to Count 2 to the '975 application, accompanied by an amendment canceling claim 9 of the '411 application. (See, App., *infra*, 41a). Further, Respondent filed oppositions to the APJ's determination of obviousness and lacked written description sufficient to support the claims, accompanied by an affidavit by Marc Weber Tobias and an affidavit by Timothy H. Shaffer. (See, App., *infra*, 41a). Petitioner responded to the Tobias and Shaffer affidavits with an affidavit by Surko supporting the APJ's reasoning. (See, App., *infra*, 42a).

The APJ denied Respondent's request to reinstate the show cause order with regard to Petitioner, but noted that at such time as a final judgment was entered in the Interference, judgment would be entered against Petitioner's claim due to his failure to respond to that part of the show cause order. (See, App., *infra*, 41a-42a). The 35 U.S.C. §291 argument was also considered on the merits and rejected. (See, App., *infra*, 42a). Respondent's 37 CFR §1.633(c)(4) motions to designate claims 9 and 10 of the '411 application and claims 1-3 of the Respondent patent as not corresponding to the count were dismissed on the ground that the arguments therein should have been made in opposition to Petitioner's previously filed 37 CFR §1.633(c)(3) motion to designate those claims as corresponding to the count. (See, App., *infra*, 42a). Respondent's renewed 37 CFR §1.633(c)(1) motion to add claim 13 to the '975 application was also denied on the ground that Respondent had not shown that its subject matter was patentable over the prior art that was applied to claim 12, as required by 37 CFR §1.637(c)(2)(iii). (See, App., *infra*, 42a).

On remand from the reconsideration panel, the APJ considered the Tobias and Shaffer affidavits in their entirety but found them unpersuasive (See, App., *infra*, 43a). The APJ also indicated since Burns and Sholes were cumulative to Grimaldi, they were no longer being relied on as evidence of obviousness, so the case for obviousness was to be considered based on Johnson in view of Moore, WuROC, and Grimaldi. (See, App., *infra*, 43a-44a). Respondent's new 37 CFR §1.633(c)(4) motions were considered but denied on the ground that they did not explain why the claims sought to be designated as not corresponding to the count (i.e. claims 10 and 11 of the '411 application and claims 1-3 of the Respondent '047 patent), were patentably distinct from the claims whose correspondence to the count Respondent did not dispute. (See, App., *infra*, 44a). Instead, the motions sought to distinguish claims 10 and 11 of the '411 application and claims 1-3 of the '047 patent from the cited prior art. (See, App., *infra*, 44a).

Despite this shortcoming, the APJ indicated that he had considered those arguments in determining whether Respondent had shown these claims to be patentable over the prior art, noting that *In re Van Geuns*, 988 F.2d 1181, 1186, 26 USPQ2d 1057, 1060 (Fed.Cir. 1993), had effectively limited the "stand or fall together" rule to the situation where the count was anticipated by the prior art, allowing a party to separately argue the patentability of the claims that correspond substantially to the count where the subject matter of the count is unpatentable for obviousness. (See, App., *infra*, 44a). The APJ indicated that there was a "rebuttable presumption that the claims that correspond substantially to the count are also unpatentable for obviousness." (See, App., *infra*, 44a).

The APJ held that Respondent failed to rebut this presumption as to the claims whose patentability over the prior art he did not separately argue, which the APJ identified as claim 12 of the '975 application, claims 9 and 10 of the '411 application, and claim 4 of the '047 patent. (See, App., *infra*, 44a). The APJ also held that while Respondent had separately argued claim 11 of the '411 application and claims 1-3 of the '047 patent, he failed to rebut the presumption as to these claims because he did not demonstrate that the subject matter of those claims was patentable over the prior art applied to Count 2 considered with another relevant reference of record, Fang Taiwan Patent No. 75,203,861. (See, App., *infra*, 44a-45a). Fang issued on April 16, 1987, and was cited in Respondent's Supplemental IDS in the '411 application. (See, App., *infra*, 45a).

The APJ concluded with the show cause order that was the basis for the final hearing, namely, an order for Respondent to show cause why judgment should not be entered: 1) against all of his claims that correspond to the Count on the ground of unpatentability for obviousness over Johnson, Moore, WuROC, and Grimaldi; and 2) against claim 12 of the '975 application on the ground it lacked sufficient written description to support the claims. (See, App., *infra*, 45a).

Afterward, Respondent requested a final hearing and a testimony period in which to identify any previously filed evidence he wished to have considered at the final hearing and to take direct testimony of a number of new witnesses. (See, App., *infra*, 45a-46a). Petitioner requested permission to be heard at the final hearing on the issues raised by Respondent, requested a testimony period in which to identify any previously filed evidence he wished to have considered at final hearing, and opposed Respondent's request to take new direct testimony. (See, App., *infra*, 46a).

The APJ granted Respondent's request for final hearing and Petitioner's request to be heard at final hearing. (See, App., *infra*, 46a). The APJ also granted both parties' requests for testimony periods, but denied Respondent's request to take some of the new testimony on the grounds of unexcused belatedness and "judicial estoppel." (See, App., *infra*, 46a). The APJ's decisions on the foregoing matters were affirmed on reconsideration by a three-member panel, after which the APJ issued a schedule for taking testimony and filing briefs and records. (See, App., *infra*, 46a).

2. Before the Board

Both parties filed records. Petitioner's testimony consisted of a previously filed Surko affidavit and Surko's cross-examination testimony on oral deposition. (See, App., *infra*, 47a). Respondent's testimony consisted of a previously filed Tobias affidavit, a previously filed Shaffer affidavit, a new Tobias affidavit, an affidavit by Minuel J. Braun, previously filed and new affidavits by attorney Frank J. Nawalanic, and new affidavits by James E. Winner, John F. Hornbostel, Jr., William J. O'connor, and Robert A. Marotto. (See, App., *infra*, 47a). Petitioner did not cross-examine any of Respondent's witnesses. (See, App., *infra*, 47a). Both parties appeared through counsel at the final hearing. (See, App., *infra*, 47a).

On July 19, 1996, the Board, in a three judge panel composed of APJ Martin, and Judges Pate and Sofocleous issued three different opinions resulting in a judgment that claims 2 and 4 of the '047 patent, claim 12 of the '975 application, and claims 9 through 11 of the '411 application were invalid, while only claims 1 and 3 of the '047 patent were valid. (See, App., *infra*, 88a-92a). Judge Martin agreed with his previous decision and found that every claim which corresponded to the count was invalid. (See, App., *infra*, 88a-89a). Judge Sofocleous found that every claim was valid. (See, App., *infra*, 91a). Judge Pate found all claims invalid except claims 1 and 3 of the '047 patent. (See, App., *infra*, 90a).

3. Before the District Court

Respondent initially appealed the decision of the Board to the Federal Circuit Court of Appeals on July 25, 1996. (See, App., *infra*, 3a). On September 6, 1996, Petitioner filed a 35 U.S.C. §146 action in the Central District of California to review the decision of the Board. (See, App., *infra*, 3a). Respondent[2] filed a 35 U.S.C. §146 action in the District Court for the District of Columbia on September 11, 1996 and also requested that the court of appeals determine which of the three actions should proceed. *Wu v. Wang*, 129 F.3d 1237, 1240 (Fed.Cir. 1997). (See, App., *infra*, 3a). The court of appeals determined that Respondent's §146 action should proceed in the District of Columbia with the provision that the action could be transferred to another jurisdiction on a proper motion to transfer. *Id.* at 1243. (See, App., *infra*, 3a).

In the §146 action, Respondent sought reversal of the Board insofar as the Board's opinion invalidated claims 2 and 4 of the '047 patent, claim 12 of the '975 application, and claims 9 through 11 of the '411 application. (See, App., *infra*, 18a).

Petitioner filed a motion to transfer the action from the District of Columbia to the Central District of California so that it could be heard and consolidated with related actions pending in California since before the interference was declared. (See, App., *infra*, 2a-3a). The District Court denied Petitioner's Motion to transfer. (See, App., *infra*, 3a).

Before the District Court, Respondent moved the record before the PTO into evidence as Exhibit 1. (See, App., *infra*, 3a). During trial, Respondent presented the testimony of witnesses and affidavits that provided the same or similar evidence as that presented during the interference. (See, App., *infra*, 7a). In addition, Respondent presented two new foundational witnesses for survey evidence. (See, App., *infra*, 7a). Petitioner presented one witness to testify as an opinion witness regarding obviousness and the underlying factual determinations. (See, App., *infra*, 3a). The District Court found each claim that corresponded to the count to be non-obvious and reversed the Board's decision in its entirety. (See, App., *infra*, 25a-26a).

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[2] It is at this point that Winner International Royalty Corporation substituted for Jinn F. Wu.

4. Before the Federal Circuit

An appeal by Petitioner to the Federal Circuit followed in which Petitioner challenged the holding of non-obviousness and the standard of review applied by the district court to the Board's factual findings. (See, App., *infra*, 2a, 5a). Petitioner also challenged the denial of a motion to transfer the action and rulings on the admissibility of certain evidence. (See, App., *infra*, 2a, 5a). Respondent argued that the district court was entitled to conduct an entire trial *de novo*. (See, App., *infra*, 5a).

The Federal Circuit adopted Respondent's position and held, without any analysis under the APA, that the proper standard of review by the district court in the section 146 proceeding was *de novo* since the parties presented live testimony in the proceeding. (See, App. *infra*, 8a-10a, 16a).

Petitioner now seeks review of this ruling by this Court.

REASONS FOR GRANTING PETITION

1. In *Dickinson v. Zurko*, 119 S.Ct. 1816, 527 U.S. 150 (1999) this Court held that a reviewing court must use the framework set forth in Section 706 of the Administrative Procedure Act ("APA") (5 U.S.C. §§ 551, et seq.) when reviewing findings of fact made by the U.S. Patent and Trademark Office ("PTO"). In so doing, this Court held that a court reviewing the factual findings of the PTO must apply a "substantial evidence" standard of review as required by the APA. 5 U.S.C. § 706. It is requested that this Court grant this Petition to decide the proper standard of review in a district court in a 35 U.S.C. § 146 proceeding and whether the introduction of "live testimony" in a section 146 proceeding allows a district court to disregard the factual findings of the PTO and engage in a *de novo* trial.

The application of APA standards of review to inter partes proceedings, as in this case, must be mandated by this Court especially in light of this Court's application of APA standards of review in *Zurko* to ex parte PTO decisions. *Inter partes* PTO proceedings, like the one below, afford the parties even greater due process than do the *ex parte* proceedings discussed in *Zurko* and are certainly more in keeping with the guidelines set forth in the APA for the conduct of administrative proceedings than are the ex parte proceedings discussed in *Zurko*. 5 U.S.C. § 556. This Court has already held in *Zurko* that review of *ex parte* PTO proceedings must be reviewed under a substantial evidence standard pursuant to 5 U.S.C. § 706(2)(E).

Inter partes Board proceedings utilize the procedures set forth in 5 U.S.C. § 556 more so than in *ex parte* Board proceedings. In *inter partes* proceedings, the parties are provided with all the niceties of due process, including the right to notice and an opportunity to be heard, the availability of subpoena power, and the right to cross examine adverse witnesses. 37 C.F.R. §§1.601-1.690. In *ex parte* Board proceedings, however, an applicant is not afforded due process to the extent found in *inter partes* proceedings. 37 C.F.R. §§1.191-1.198. Thus, the rationale for applying the APA standards of review to *ex parte* proceedings is even stronger where *inter partes* proceedings are concerned.

In the action below, the Federal Circuit held that a district court was to engage in a *de novo* review of the factual findings of the Board. (See, App. *infra*, 8a-10a, 16a). This holding is not in keeping with the standards set forth in the APA, nor is it in keeping with the spirit of this Court's reasoning in *Zurko*. Nothing in the *Zurko* opinion nor the APA authorizes a district court to engage in a *de novo* review of the Board's factual findings.

The APA provides that "[t]he form of proceeding for judicial review [of an agency decision] is the special statutory review proceeding relevant to the subject matter in a court specified by statute." 5 U.S.C. § 703. Under the Patent laws, a party dissatisfied with the outcome of an Interference proceeding may choose to have the findings of the Board reviewed either by the Federal Circuit (35 U.S.C. § 145) or, as was the case in this matter, by a district court (35 U.S.C. §146). There is no patent statute which sets forth the standards to be used by the reviewing court in either of these situations. In such circumstances, this Court has held that in the absence of a specific standard of review in a particular statute, a court reviewing an agency determination must apply the standards set forth in the APA. *Zurko,* 119 S.Ct. at 1819; *American Paper Inst. v. American Elec. Power Serv. Corp.*, 461 U.S. 402, 412-413 n.7 (1983). The Federal Circuit's contrary ruling should be reviewed by this Court.

Applying the guidelines set forth in the APA to a section 146 proceedings, it is clear that a reviewing court is not allowed to engage in a *de novo* review of the factual findings made by an agency except in two very limited circumstances: 1) where the hearing before the agency is adjudicatory in nature and the agency factfinding procedures were inadequate; or 2) when issues that were not before the agency are raised in a proceeding to enforce a nonadjudicatory agency action. *See, e.g. Citizens to Preserve Overton Bank, Inc. v. Volpe,* 401 U.S. 402, 415, 91 S.Ct. 814 (1971). Neither of these circumstances was present in the case below, and the Federal Circuit's holding goes far beyond that which is authorized by the APA.

In its decision, the Federal Circuit recognized that there is little guidance as to the proper standard of review to be employed by a district court in a Section 146 proceeding (See, App. *infra,* 6a). The Federal Circuit, disregarding this Court's *Zurko* decision and the APA, failed to conduct any analysis of the APA to determine the proper standard of review. Instead, and in contravention of the strict guidelines for when *de novo* review may be had under the APA, the Federal Circuit held that "the admission of live testimony on all matters before the Board in a section 146 action, as in this case, makes a factfinder of the district court and requires a de novo trial." (See, App. *infra,* 9a).

Prior to the Federal Circuit's ruling, the only case which provided definitive guidelines regarding the standard of review in a section 146 proceeding was *Allied-Signal, Inc. v. Ludlum Corp.*, 29 U.S.P.Q.2d 1039 (D.Conn. 1993) which was even cited by Chisum, *Chisum on Patents*, § 10.09[8][b] (1995) as the proper standard of review in a section 146 action. Therein, the court stated:

> An action under Section 146, like the bill in

equity from which it was derived, is essentially a suit to set aside the decision of an administrative agency. *See Hoover v. Coe*, 325 U.S. 79, 83-88 (1945); *see also Morgan v. Daniels*, 153 U.S. 120, 124 (1894). As such, an action under Section 146 is a hybrid proceeding having characteristics of both an appeal and a trial de novo. The characteristics of an appeal are evident: the district court in a Section 146 action must review the Board's conclusions of law, but the court may disregard the Board's findings of fact only if it concludes that the contrary has been established "by testimony which in character and amount carries thorough conviction." *Morgan*, 153 U.S. at 125. In other words, the court must accept the Board's findings of fact unless those findings are "clearly erroneous." [Citation omitted]. Section 146 actions may also have elements of a trial: the record in such action may include new evidence, and if the new evidence raises factual disputes NOT considered by the Board, the court must resolve those disputes *de novo*. [citation omitted].

Understandably, the hybrid nature of Section 146 actions has created some disagreement – or at least some confusion – regarding the applicability of the two substantive evidentiary standards. . . . To clarify the requirements of a Section 146 action, the court sets forth the following principles:

(1) Issues of fact that were resolved by the Board are reviewed according to a "clearly erroneous" standard, even where the parties have presented new evidence with respect to these issues during the Section 146 proceeding. In other words, the mere presentation of new evidence on issues that were in fact resolved by the Board does not authorize the court to review those findings *de novo*. [Citation omitted].

> (2) Issues of fact that were not resolved by the Board are reviewed *de novo*, even where the evidence being considered by the court was also contained in the record before the Board. In other words, the mere presentation of old evidence on issues that were not resolved by the Board does not authorize the court to adopt a deferential standard of review, indeed in the absence of a decision by the Board on a particular issue, there is no decision for the district court to review – deferentially or otherwise.
>
> (3) Conclusions of law are reviewed *de novo*, even where they are closely connected to findings of fact that are reviewed according to a "clearly erroneous" standard.

Id. at 1042-43 (emphasis added). The rationale and rulings of the court in the *Allied Signal* case are in conformity with the APA and with common sense.

Because the Federal Circuit's ruling is contrary to the standards specified in the APA and because the ruling is not in keeping with this Court's *Zurko* decision, a review of the Federal Circuit's ruling is mandated.

2. The Federal Circuit's ruling also violates the Constitutional separation of powers by allowing the judiciary to improperly usurp the administrative agency's responsibilities which have been delegated to it by the legislature. As this Court had recognized, although a reviewing court may police the statutory boundaries within which Congress has authorized an agency to act, the reviewing court may not substitute its own decisions for that of the agency with respect to matters that fall within the responsibilities which have been delegated to the agency by Congress. *SEC v. Chenery Corp.*, 332 U.S. 194, 196 (1947).

This principle was recognized by this Court in relation to patent matters in 1894 in *Morgan v. Daniels*, 153 U.S. 120 (1894). Therein, this Court stated that:

> [A proceeding under Rev.St.§ 4915 (the precursor to 35 U.S.C. § 146)] is something more than a mere appeal. It is an application to the court to set aside the action of one of the executive departments of the government. The one charged with the administration of the patent system had finished its investigations and made its determination with respect to the question of priority of invention. That determination gave to the defendant the exclusive rights of a patentee. A new proceedings [sic] is instituted in the courts, – a proceeding to set aside the conclusions reached by the administrative department, and to give to the plaintiff the rights there awarded to the defendant. It is something in the nature of a suit to set aside a judgment, and, as such, is not to be sustained by a mere preponderance of the evidence. [Citation omitted]. It is a controversy between two individuals over a question of fact which has once been settled by a special tribunal, intrusted with the full power in the premises. As such, it might well be argued, were it not for the terms of this statute, that the decision of the patent office was a finality upon every matter of fact.

Id. at 124.

Indeed, there can be no dispute but that the legislature has created a comprehensive statutory scheme for the submission and examination of applications and the grant or denial of patents by the PTO. 35 U.S.C. §§ 111 through 122, 131 through 135. Further, Congress has entrusted these complex decisions, which involve the evaluation of the claimed advances of specialized scientific and technical knowledge, to only those persons qualified to analyze such questions. 35 U.S.C. § 7 (setting forth the requirements for examiners-in-chief).

This Court has recognized on many occasions the specialized knowledge of those employed by the various administrative agencies and the fact that a reviewing court must defer to such expertise. In

Baltimore Gas and Electric Co. v. Natural Resources Defense Council, Inc., 462 U.S. 87 (1983), this Court, in speaking of the Nuclear Regulatory Commission, stated:

> [A] reviewing court must remember that the Commission is making predictions, within its area of special expertise, at the frontiers of science. When examining this kind of scientific determination, as opposed to simple findings of fact, a reviewing court must generally be at its most deferential.

Id. at 103.

Similarly, the expertise of the PTO is routinely called upon to make factual determinations relating to a wide variety of technical and scientific matters. Under such circumstances, the factual findings of the PTO on such issues should be given the highest deference by a reviewing court.

This Court has also recognized that where there are several different examining officers reaching different factual conclusions in a patent matter, the decision of the patent office should not be lightly overturned. This Court stated:

> Upon principle and authority, therefore, it must be laid down as a rule that, where the question decided in the patent office is one between contesting parties . . . , the decision there made must be accepted as controlling upon that question of fact in any subsequent suit between the same parties, unless the contrary is established by testimony which in character and amount carries thorough conviction. Tested by that rule, the solution of this controversy is not difficult. Indeed, the variety of opinion expressed by the different officers who have examined this testimony is persuasive that the question . . . is doubtful, and, if doubtful, the decision of the patent office must control.

Morgan, 153 U.S. at 125 (1894).

Under the Federal Circuit's holding, the fact finding of those with expertise, who are specifically authorized by Congress to make decisions on such facts, is rendered meaningless and is now subject to being replaced by judges who are not required to possess the requisite knowledge of those employed by the PTO. The Federal Circuit's adoption of such a standard, one in which the judiciary can usurp the functions of the administrative agency acting within the scope of the duties delegated to it by the legislature, warrants review by this Court.

3. This Court should also review the Federal Circuit's decision since the same hinders the proper administration of the patent system. The Constitution gave Congress the power to "promote the Progress of Science and useful Arts." U.S. Const., Art. I, § 8, Cl. 8. Clearly, when patents are improperly issued, the progress of science and useful arts suffers. For the most part, whether or not to issue a patent depends upon the determination of highly complicated and technical factual determinations. It is of the utmost importance then that the expert findings of the PTO's Board, to whom Congress delegated the final administrative responsibility for determining these highly technical fact questions, be subjected to judicial review only within the limited boundaries set forth by Congress in the APA.

The Federal Circuit itself has even recognized the importance of maintaining a proper patent system. For example, in *Conservolite v. Widmayer,* 21 F.3d 1098 (Fed.Cir. 1994) the court held that:

> [T]he parties to an interference must make a complete presentation of the issues at the Board level so that the interference is efficient and not a waste of judicial resources. . . .
>
> A proceeding under § 146 is not a chance for a party to reconstruct its case, based on new litigation strategy, leapfrogging the administrative process in the PTO.

Id. at 1102.

The Federal Circuit's ruling here is contrary to the intent and logic espoused by the same court in *Conservolite*. If allowed to stand as the law, the Federal Circuit's ruling takes the decision-making power away from those entrusted with the same, those with expert knowledge, and, contrary to Congressional intent, places it in the hands of district court judges who are not required to possess the technical or scientific expertise necessary.

The Federal Circuit's decision will also encourage parties to utilize the PTO as a "testing ground" to see which facts and theories work and which do not. Such a result is obviously a waste of taxpayer dollars and hinders the proper administration of the system. The Federal Circuit's decision warrants review by this Court.

CONCLUSION

Petitioner respectfully requests that the petition for a writ of certiorari be granted.

Respectfully submitted,

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No.

In the Supreme Court of the United States

October Term, 1996

[illegible] Mark, Petitioner

[illegible] International Royalty Corporation

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

APPENDIX TO
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CONCLUSION

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Respectfully submitted,

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Attorney of Record [illegible]

[illegible]

[illegible]

No.

In the Supreme Court of the United States

OCTOBER TERM, 1999

CHING-RONG WANG, PETITIONER

V.

WINNER INTERNATIONAL ROYALTY CORPORATION

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

APPENDIX TO PETITION FOR A WRIT OF CERTIORARI

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United States Court of Appeals for the Federal Circuit

98-1553

WINNER INTERNATIONAL ROYALTY CORPORATION,

Plaintiff-Appellee,

v.

CHING-RONG WANG,

Defendant-Appellant.

DECIDED: January 27, 2000

Before MICHEL, RADER, and GAJARSA, Circuit Judges.
MICHEL, Circuit Judge.

Ching-Rong Wang ("Wang") appeals from the judgment of the United States District Court for the District of Columbia, overturning the decision of the United States Patent and Trademark Office Board of Patent Appeals. and Interferences (the "Board") in an interference, and holding that the inventions of claims 2 and 4 of U.S. Patent No. 4,935,047 ("the '047 patent') and claims 9-11 of U.S. Patent App. No. 071478,411 ("the '411 application") would not have been obvious in light of the cited prior art. See Winner Int'l Royalty Corp. v. Wang, 11 F. Supp. 2d 18, 48 USPQ2d 1139 (D.D.C. June 12, 1998). The '047 patent, issued to Jinn Wu ("Wu"), and the '411 application are owned by Winner International Royalty Corp. ("Winner"). The district court had jurisdiction pursuant to 35 U.S.C. § 146 (1994) because Wu filed suit there after an adverse ruling by the Board in an interference between himself and Wang. Winner, as owner of Wu's patent superseded Wu as plaintiff. The Board held the Wu patent and application claims invalid as obvious. See 35 U.S.C. § 103 (1994). Other litigation (including suit against Wang), in which Winner alleges infringement of its '047 patent and asserts several related claims, has been stayed in the Central District of California pending the outcome of this appeal. The district court first denied Wang's motion to transfer this action to the District Court for the Central District of California. Sere , Winner Int'l Royalty Corv. v. Wang, 45 USPQ2d 1864 (D.D.C. Jan. 20, 1998). Then it conducted a 7 day bench trial. On appeal, Wang challenges (1) the denial of the transfer; (2) rulings as to the admission of evidence despite its similarity to that before the Board; and (3) the holding of non-obviousness that revived the '047 patent. This case was submitted for our decision following oral argument on August 2, 1999. Because the district court did not clearly err in any of its factual findings relating to obviousness, did not err in its ultimate determination of non-obviousness, and did not abuse its discretion either in admitting the challenged documentary evidence and testimony or in refusing to transfer the case, we affirm.

BACKGROUND

In addition to the '047 patent, Winner also owns U.S. Patent No. 4,738,127 ("Johnson"), the commercial embodiment of which is the original steering wheel antitheft device known as "The Club." Wu, the principal in the Taiwanese manufacturer of the original Club, is named as the inventor in the '047 patent, commercial embodiments of which are known as "The Super Club," "The Ultra Club," and "The Club GL." The '047 patent discloses an automobile anti-theft device that is mounted across the steering wheel and is locked in place by use of a self-locking ratcheting mechanism. Like all versions of the Club, when locked in place, the commercial embodiments of the '047 patent prevent theft by blocking the steering wheel from turning. The ratcheting mechanism is different from the dead-bolt used in Johnson and so the '047 patent may be thought of as an improvement over Johnson. .While Johnson's dead-bolt system is more secure, it is not as convenient as the ratcheting mechanism claimed in the '047 patent because a key is required to lock the Johnson device in place while the '047 patent discloses a device that locks itself without use of a key.[1]

Wang also manufactures similar anti-theft devices in Taiwan and exports them to the U.S. where he sells them through his United States distributor. Wang's device is known commercially as "The Gorilla Grip." Wang filed a patent application directed to his Gorilla Grip device and was issued U.S. Patent No. 4,887,443 ("the 443 patent").

In 1990, Wu discovered that the device disclosed in Wang's '443 patent was very similar to the subject matter of his then-pending application, which later issued as-the '047 patent, and decided to provoke an interference by fling a divisional application and submitting a claim identical to the broadest claim in the '443 patent. On August 8, 1991, an interference was declared, and a proceeding began to determine which party, Wu or Wang, had priority of invention. The claims of the '047 patent and an additional Wu application, the '411 application, were eventually added to the count in the interference.

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[1] In both devices a key is needed to unlock the device.

During the interference proceeding, Wang filed a preliminary motion alleging that the interference count, and hence both parties' claims, was unpatentable as obvious in light of certain prior art under 35 U.S.C. § 103 (1994). Wang, apparently acknowledging that his claim to priority over Wu's '047 patent was questionable, ultimately conceded that his '443 patent was invalid and sought to prove that Wu's '047 patent was also invalid.

After a final hearing, the Board, in a split decision, held all affected claims invalid except for claims 1 and 3 of the '047 patent. Wu then filed both an appeal to this court pursuant to 35 U.S.C. § 141 (1994) and an action in the District Court for the District of Columbia pursuant to 35 U.S.C. § 146, while Wang filed a section 146 action in the District Court .for the Central District of California. In Wu's section 141 appeal from the decision of the Board, this court determined that the section 146 suit would proceed pursuant to Wu's complaint in the District Court for the District of Columbia. See Wu v. Wang, 129 F.3d 1237, 44 USPQ2d 1641 (Fed. Cir. 1997). Because Wu filed his appeal first, and responded in timely fashion to Wang's notice of election by filing a section 146 action in the District Court for the District of Columbia, Wu's choice of forum governed. See id. at 1242-43, 44 USPQ2d at 1645-46. We then dismissed the section 141 appeal as superseded by the section 146 action. See id. at 1238, 44 USPQ2d at 1642.

After the first appeal to this court, Wang filed a motion in the district court to transfer the action to the Central District of California. The district court denied the motion. See Winner, 45 USPQ2d 1864. After a seven-day bench trial, the district court held that the inventions of claims 2 and 4 of the '047 patent would not have been obvious in light of the cited prior art. See Winner, 11 F. Supp. 2d 18, 48 USPQ2d 1139.[2] At trial, Winner presented. testimony on each of the four principal factual issues underlying an obviousness determination, as well as affidavits. Wang presented one expert witness to testify as to his opinion regarding obviousness and the underlying factual determinations. The record before the Board was also admitted into evidence before the district court.

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[2] The related claims in the 411 application were also found not unpatentable, but were not separately addressed by the district court and are not separately argued on appeal. Therefore, we do not address them separately either.

The focus of the trial was on four prior art references that Wang alleged, before the court as he had before the Board, rendered the invention of the '047 patent obvious. These references were Johnson (mentioned above), U.S. Patent No. 3,462,982 ("Moore"), Taiwan Patent App. No. 74,210,699 ("WuROC"), and French Patent App. No. 2,566,398 ("Grimaldi"). Winner also introduced evidence of the commercial success of its Super Club line of products. This evidence had not been presented to the Board.

Like the device disclosed in the '047 patent, the mechanism of Johnson immobilizes the steering wheel by the user inserting it within the steering wheel, telescoping its arms outward so that hooks on the end of the arms engage the steering wheel, and then locking the arms in place. As stated earlier, unlike the '047 patent, which discloses a self-locking ratcheting mechanism, Johnson uses a dead-bolt to lock the device in place, which requires the user to turn a key after putting the device on the wheel. Moore discloses a steering wheel lock that unfolds into a "Y" shape and utilizes a self-locking ratcheting mechanism, which does not require a key. WuROC discloses a wheel and brake pedal locking device with a versatile locking core that can accommodate either a dead-bolt or a self-locking ratchetinig mechanism, but it does not disclose either of these locking mechanisms. Grimaldi discloses a two-piece mechanism for locking a clutch or brake pedal to the floorboard or firewall of a car and its figures appear to show a rod and pawl mechanism that locks it into place.

The key issue tried was the presence or absence of sufficient proof of a motivation to combine the four prior art references. The Board had found that one skilled in the art (1) "would have considered Johnson's dead-bolt-type locking device to be disadvantageous compared to the Moore and WuROC devices to the extent that Johnson requires a key for setting in position and adjusting the device," and (2) "would have been motivated to make Johnson easier to use, albeit less secure, by replacing the dead-bolt mechanism" of Johnson with a suitable self-locking ratcheting mechanism. The district court found that these factual findings were "clearly erroneous" and found that adequate motivation to combine the references was not shown. See Winner, 11 F. Supp. 2d at 23-24, 48 USPQ2d at 1143-44. The district court also found that Winner established commercial success resulting from the improvement claimed in the '047 patent, even though it held such a finding immaterial in light of Wang's failure to establish a prima facie case of obviousness. See id. Accordingly, the district court held that on this record the inventions of claims 2 and 4 of the '047 patent would not have been obvious and overturned the Board's decision as to those claims. See id. at 25, 48 USP02d at 1145.

Wang appeals, contending that the district court should have applied a substantial evidence standard of review on factual issues rather than, as it said it was doing, review for clear error. Wang asserts that the district court incorrectly concluded that the invention of the claims would not have been obvious, and abused its discretion in admitting the challenged documentary evidence and testimony as duplicative of evidence in the Board record and in denying Wang's motion to transfer the case to the Central District of California. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(3)(C) (1994).

DISCUSSION

I.

STANDARD OF REVIEW

We review the district court's factual findings for clear error and its conclusions of law de novo, as with any bench trial. See Gould v. Quigg, 822 F.2d 1074, 1077, 3, USPQ2d 1302, 1303-04 (Fed. Cir. 1987) (affirming district court's reversal of Board decision with respect to enablement). It is not as clear, however, what degree of deference inheres in the standard of review the district court was required to apply to the Board's decision. The parties agree that the district court was to reassess the Board's ultimate conclusion as to obviousness de novo, but they disagree over the degree of deference, if any, the district court was required to give to the Board's factual findings. Wang argues that under the Supreme Court's decision in Dickinson v. Zurko, 119 S. Ct. 1816 (1999), the district court was required to review the Board's factual findings only for substantial evidentiary support. In its decision, which issued before Zurko was decided, the district court applied the traditional clearly erroneous standard of review to the Board's findings of fact.[3] Winner argues first that the district court was entitled to conduct an entire trial de novo, and second, even if deference were required, that the district court properly reviewed the Board's factual findings for clear error because Zurko and the Administrative Procedure Act ("APA") standards of review do not apply as the Board proceeding is "subject to" a trial de novo in a district court.

Wu brought this action pursuant to 35 U.S.C. § 146, which allows a party to an interference dissatisfied with an adverse decision of the Board to file a complaint in a district court. Unlike a direct appeal to this court pursuant to 35 U.S.C. § 141, the parties before the district court are not limited to the evidentiary record before the Board:

In such suits the record in the Patent and Trademark

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[3] That standard of review was correct under our case law at the time.

> Office shall be admitted on motion of either party . . . without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent and Trademark Office when admitted shall have the same effect as if originally taken and produced in the suit.

35 U.S.C. § 146 (emphasis added). Because the record before the district court may include the evidence before the Board as well as evidence that was not before the Board, we have often described the district court proceeding as "a hybrid of an appeal and a trial de novo." Estee Lauder Inc. v. L'Oreal, S.A., 129 F.3d 588, 592, 44 USPQ2d 1610, 1612 (Fed. Cir. 1997); see also General Instrument Corp. v. Scientific-Atlanta, Inc., 995 F.2d 209, 212, 27 USPQ2d 1145, 1147 (Fed. Cir. 1993) ("[A] party may proceed to a district court for a hybrid appeal/trial de novo proceeding in which the PTO record is admitted on motion of either party, but it may be supplemented by further testimony. 35 U.S.C. § 146."); Case v. CPC Int'l. Inc., 730 F.2d 745, 752, 221 USPQ 196, 202 (Fed. Cir. 1984) ("[A]n action under 35 U.S.C. § 146 has the hybrid nature of an appeal and a trial de novo."). We have so stated even though section 146 uses neither the term "de novo," nor "appeal." See Conservolite Inc. v. Widmayer, 21 F.3d 1098, 1102, 30 USPQ2d 1626, 1629 (Fed. Cir. 1994).

The issue before us is whether the scope of the evidence admitted by the district court was sufficient to require a complete trial de novo, or whether the district court was instead required to give deference to some or all of the Board's findings of fact. Although our precedent makes clear that a de novo trial is appropriate in some circumstances in actions under both section 146 and the parallel provisions in 35 U.S.C. § 145, it does not make clear exactly what those circumstances are. The statutory provisions themselves offer little guidance--section 146 only refers to "further testimony" which may be offered in the district court, while section 145 is completely silent about evidence. See 35 U.S.C. § 146; 35 U.S.C. § 145. In Zurko, the Supreme Court, in passing, noted the settled law that in a section 145 action a disappointed applicant may present evidence that it did not present to the Board, and that the "presence of such new or different evidence makes a factfinder of the district judge." 119 S. Ct. at 1824 (emphasis added). Interpreting both sections, we have referred to the ability to present "new testimony" or "proffered testimony" or "additional evidence." Conservolite, 21 F.3d at 1102, 30 USPQ2d at 1629 ("new testimony"); Case, 730 F.2d at 752, 221 USPQ at 202 (finding that section 146 "authorizes the district court to accept all proffered testimony on issues raised by the parties during the proceedings below or by the board's decision."); Gould, 822 F.2d at 1079, 3 USPQ2d at 1305 ("[A]dditional evidence is permitted in a civil action under section 145, allowing the district court to make de novo fact findings."); Fregeau v. Mossinghoff, 776 F.2d 1034, 1038, 227 USPQ 848, 851 (Fed. Cir. 1985) (using "additional evidence" and "new evidence" interchangeably); *cf* Newman v. Quigg, 877 F.2d 1575, 1579, 11 USPQ2d 1340, 1343 (Fed. Cir. 1989) ("A district court action.under 35 U.S.C. § 145 is a de novo determination of patentability. It is not limited to the record before the PTO."). It is not clear from these cases, however, when evidence is "new or different" or "additional" so that trial de novo is required.

Here, Winner introduced evidence on the issue of commercial success that was not before the Board, specifically a survey and a witness. Such documentary evidence and testimony are certainly "further testimony," as the Board had neither before it in any form. However, Winner also presented live testimony in the district court on each factual issue before the Board, namely the other three sets of underlying factual determinations typically at issue in an obviousness determination. See Graham v. John Deere Co., 383 U.S. 1, 17-18 (1966). Wang argues that this latter testimony was not adequate to trigger a de novo trial because it is the same or similar to testimony given by the same witnesses before the Board. We reject this argument.

In the context of a section 145 action, in which the Board has conducted an ex parte proceeding, we have noted that the admission of live testimony at trial requires the factfinder to make its own findings. See Burlington Indus., Inc. v. Quigg, 822 F.2d 1581, 1584, 3 USPQ2d 1436, 1439 ,(Fed. Cir. 1987). The rationale is that the applicant was at least partly unable to present the live testimony in the ex parte proceeding before the Board. See id. In Burlington Industries, the Commissioner argued that "the district court cannot reach a different conclusion on the same evidence that was before the PTO." Id. (emphasis added). We rejected the Commissioner's argument. Although the import of the evidence before the Board and the district court might be the same in, many or all ways, the form in which it is presented is fundamentally different. As we noted in Burlington Industries:

> In its evaluation of the evidence on which this conclusion was based, the district court had a powerful advantage over the patent examiner and the Board, an advantage characteristic of section 145 appeals, in that the court heard and saw witnesses, testifying under examination and crossexamination. and had the benefit of extensive discussion and

> argument.

Id. at 1582, 3 USPQ2d at 1437-38 (emphasis added). The fact that the district court heard live testimony, gave more weight to some witnesses than to others, and came. to a different conclusion than that reached by the Board, was not improper.

> This trial before the district court partook of the quality that is available only with the examination and cross-examination of live witnesses . . . . If the evidence adduced before the district court led to a decision different from that reached by the PTO, that is not contrary to the legislative purpose of section 145 de novo review. Indeed, it is in fulfillment of that purpose.

Id. at 1584, 3 USPQ2d at 1439 (emphasis added). Thus, after a "full trial of the issues" the district court was free to come to its own "independent conclusion," contrary to the argument by the Commissioner. id.; see also Gould, 822 F.2d at 1079, 3 USPQ2d at 1305 ("[O]nce a full trial on the issue occurred . . . the district court reached a distinct and more informed conclusion . . . .").

In the context of a section 146 action such as the instant case, in which the Board has conducted an inter partes interference proceeding, the matter is less clear because more evidentiary opportunities are available to parties in an interference than to an applicant in an ex parte examination and appeal to the Board. See In re Epstein, 32 F.3d 1559, 1565-66, 31 USPQ2d 1817, 1821 (Fed. Cir. 1994) (noting lack of rules of evidence and inability to cross-examine witnesses in an ex parte proceeding). In an interference, unlike an ex parte proceeding, the Federal Rules of Evidence apply. See 37 C.F.R. § 1.671(b) (1998). In addition, both sides can submit testimony, initially in the form of affidavits, unless the testimony must be compelled. See 37 C.F.R. § 1.672. A party may "cross-examine" an affiant through oral deposition. See 37 C.F.R. § 1.672(d). Discovery, at least against the party opponent, is also available. See 37 C.F.R. § 1.687. However, although the parties "will be given an opportunity to appear before the Board to present oral argument at a final hearing," 37 C.F.R. § 1.654, at no point in the interference proceeding is a party allowed to present live testimony before the Board. The Board reviews testimony only in the form of affidavits and transcripts of depositions, and other facts in the form of responses to interrogatories and requests for admissions. See 37 C.F.R. §§ 1.653(a), 1.677(a). Thus, although the proceeding before the Board in an interference differs from that following an ex parte examination, the two proceedings are the same in at least one important respect--in no case is live testimony given before the Board, which would allow the Board to observe demeanor, to hear the witnesses rebut one another's testimony in response to questioning from the parties and the judges, and thus to determine credibility. As we have stated before, because the district court may observe witnesses' under examination and cross-examination it can have a "powerful advantage" over the, Board which can never receive testimony in such a manner. Burlington Indus., 822 F.2d at 1582, 3 USPQ2d at 1437.

We hold that the admission of live testimony on all matters before the Board in a section 146 action, as in this case, makes a factfinder of the district court and requires a de novo trial.[4] Thus, although the live testimony before the district court might be the same or similar to testimony before the Board in the form of affidavits and deposition transcripts, a district court should still make de novo factual findings, while treating the record before the Board when offered by a party "as if [it was] originally taken and produced" in the district court. 35 U.S.C. § 146. Accordingly, because Winner' submitted live testimony on all matters before the Board, the entire district court proceeding should have been a trial de novo, based both on the Board record and the district court evidence.[5]

Our holding comports with the notion that "[t]he credibility of the witnesses and the weight to be given to their testimony and the other evidence in the record . . . is a matter for the trier of facts." Gyromat Corp. v. Champion Spark Plug Co., 35 F.2d 549, 552, 222 USPQ 4, 6 (Fed. Cir. 1984). Further, our holding also establishes a clear rule that live testimony admitted on all matters that were before the Board triggers a de novo trial. If our holding were otherwise it might be difficult to administer. For example, if the test for determining whether de novo adjudication is appropriate were based on exactly what the witness said in the district court and whether it was truly "new or different" than what was disclosed in affidavits and deposition transcripts of the same or other witnesses before the Board, then the district court, and this court on appeal, would be required to search nearly line-by-line through the respective records as to each witness and issue to determine which standard applied. Aside from being difficult, such a test would provide scant guidance for a prospective litigant attempting to discern which standard would apply should it file a section 146 action.

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[4] As this case involved further testimony relating to everything in issue before the Board, we express no opinion on whether testimony relating solely to some facts or issues results in other facts or issues being reviewed deferentially based solely on the fact findings of the Board. Indeed, we do not decide whether a given dispute could be parsed into discrete "issues" or facts so that such a determination could be made, or if it could, how a court would draw the line between such facts or issues.

[5] The trial court's failure to apply the de novo standard, if error, was harmless error, for surely the result would have been the same under non-deferential review.

II.

OBVIOUSNESS

A.

Obviousness is a question of law based on underlying factual inquiries including: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the prior art and the claimed invention; and (4) extent of any objective indicia of non-obviousness. See Monarch Knitting Mach. Corp. v. Sulzer Morat GMBH, 139 F.3d 877, 881, 45 USPQ2d 1977, 1981 (Fed. Cir. 1998). The ultimate determination of obviousness by a district court is reviewed by this court de novo while the underlying factual inquiries are reviewed for clear error. See Weatherchem Corp. v. J.L. Clark. Inc., 163 F.3d 1326, 1331, 49 USPQ2d 1001, 1006 (Fed. Cir. 1998). We hold that this is so as much in a section 146 action as on review of the judgment in an infringement suit.

The dispute here focuses on the combinability of the prior art. When an obviousness determination is based on multiple prior art references, there must be a showing of some "teaching, suggestion, or reason" to combine the references. Gambro Lundia AB v. Baxter Healthcare Corp., 110 F.3d 1573, 1579, 42 USPQ2d 1378, 1383 (Fed. Cir. 1997) (also noting that the "absence of such a suggestion to combine is dispositive in an obviousness determination"). Whether motivation to combine the references was shown we hold a question of fact. See In re Dembiczak, 175 F.3d 994, 1000, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999) ("[P]articular factual findings regarding the suggestion, teaching, or motivation to combine serve a number of important purposes . . . .") (emphasis added); Monarch Knitting, 139 F.3d at 881-83, 886, 45 USPQ2d at 1982, 1985 (treating motivation to combine issue as part of the scope and content of the prior art and holding that genuine issues of act existed as to whether one of ordinary skill in the art would have been motivated to combine the references in question).

Evidence of a suggestion, teaching, or motivation to combine prior art references may flow, inter alia, from the references themselves, the knowledge of one of ordinary skill in the art, or from the nature of the problem to be solved. See Dembiczak, 175 F.3d at 999, 50 USPQ2d at 1617. Although a reference need not expressly teach that the disclosure contained therein should be combined with another, see Motorola. Inc. v. Interdigital Tech. Corp., 121 F.3d 1461, 1472, 43 USPQ2d 1481, 1489 (Fed. Cir. 1997) ,[6]the showing of combinability, in whatever form, must nevertheless be "clear and particular." *Dembiczak*, 175 F.3d at 999, 50 USPQ2d at 1617.

B.

Like the district court's opinion, the arguments of both parties on appeal focus on whether one of ordinary skill would have been motivated to combine the four references. The key references at issue were -Johnson, which discloses virtually all aspects of the invention claimed in the '047 patent except ratcheting, and Moore, which did disclose a self-locking ratcheting mechanism.[7] If there was no motivation or suggestion to combine Johnson with the ratcheting mechanism of Moore, one of ordinary skill in the art would not have viewed the invention of the '047 patent as obvious. *See In re Dance*, 160 F.3d 1339, 1343, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998); *Gambro Lundia AB*, 110 F.3d at 1579, 42 USPQ2d at 1383 ("The absence of such a suggestion to combine is dispositive in an obviousness determination.").

Wang argues that the prior art should be combinable merely because the Board properly found that the relevant field was very broad and included lock design art in general, and all of the prior art here was clearly within that field. Wang further argues that Moore is combinable with Johnson because they both deal with locking steering wheels, even though Moore's ratcheting mechanism is possibly not as strong or as tamper resistant as the dead-bolt mechanism of Johnson, partly because the grooves of the ratcheting mechanism are at least somewhat exposed.

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[6] Wang correctly points out that the district court misstated our case law on the test for the "motivation to combine" issue when it stated that "there must have been some *explicit* teaching or suggestion in the art to motivate one of even ordinary skill to combine such elements so as to create the same invention." *Winner*, 11 F. Supp. 2d at 24, 48 USPQ2d at 1144 (emphasis added). However, this misstatement could not have affected its analysis because its finding of a lack of a motivation to combine was based on "teaching away" and the nature of the problem confronting one of ordinary skill in the art, not what a reference failed to explicitly disclose. The district court also stated the law on this issue correctly in other portions of the opinion, so this one isolated misstatement hardly shows that the district court misunderstood the law.

[7] WuROC, which disclosed a chamber capable of accepting either a deadbolt or a ratcheting mechanism, may have informed one of ordinary skill in the art that both mechanisms would work, but it did not specifically disclose any such mechanisms and did not suggest that one should be replaced with the other. Grimaldi disclosed a rod and pawl design that was an anti-theft device attached to the clutch rather than a steering wheel. The district court did not clearly err in finding that "WuROC and Grimaldi in and of themselves would certainly not provide much guidance as to how to construct the Wu '047 device" and that if Johnson was not combined "with some form of a ratchet mechanism, then the fact that Wu 047 may have borrowed some elements from WuROC and Grimaldi becomes irrelevant." *Winner*, 11 F. Supp. 2d at 24, 48 USPQ2d at 1144.

The district court found that there was no motivation to combine Johnson with the ratcheting mechanism of Moore because (1) there was no apparent disadvantage to the dead-bolt mechanism of Johnson, and therefore the motivation to combine would not stem from the "nature of the problem" facing one of ordinary skill in the art, because no "problem" was perceived; and (2) Johnson's written description taught away from the use of Moore. See Winner, 11 F. Supp. 2d at 23, 48 USPQ2d at 1143-44. "What a reference teaches and whether it teaches toward or away from the claimed invention are questions of fact." In re Bell, 991 F.2d at 784, 26 USPQ2d at 1531.

First, although there was conflicting evidence before the district court on whether one would see the trade-off between using a dead-bolt and using a ratcheting mechanism and conclude that the more secure dead-bolt should be replaced with the more convenient ratcheting mechanism, the district court did not clearly err in finding that one of ordinary skill in the art would not have reasonably elected trading the benefit of security for that of convenience. Trade-offs often concern what is feasible, not what is, on balance, desirable. Motivation to combine requires the latter.[8]

Second, if Johnson did in fact teach away from Moore, then that finding alone can defeat Wang's obviousness claim. See Gambro Lundia AB, 110 F.3d at 1579, 42 USPQ2d at 1383. A "reference will teach away if it suggests that the line of development flowing from the reference's disclosure is unlikely to be productive of the result sought by the applicant." In re Gurley, 27 F.3d 551, 553, 31 USP02d 1130, 1131 (Fed. Cir. 1994).

The passage of Johnson relied on by the district court and Winner includes the following:

> Another problem with such devices is that they appear susceptible to being overcome by physical force or manipulation. The locking mechanisms of [Moore] and Mitchell et al U.S. Pat. No. 4,103,524 are exposed, and include pry points thereabout in which a crowbar may be inserted in an attempt to

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[8] The fact that the motivating beneft comes at the expense of another benefit, however, should not nullify its use as a basis to modify the disclosure of one reference with the teachings of another. Instead, the benefits, both lost and gained, should be weighed against one another.

> overcome such mechanism. Irrespective of whether such device can be overcome by physical manipulation, they present prospective thieves with the appearance of being breakable.

Johnson, col. 1, lines 38-48. Because the Mitchell reference cited in the quote above actually does no utilize a ratcheting mechanism, Wang argues that Johnson does not teach away from using ratcheting mechanisms; rather, it was merely distinguishing prior art devices on the basis that unlike Johnson they had exposed mechanisms. However, that fact does not undermine the district court's finding that Johnson did teach away from the ratcheting mechanism of Moore which does have exposed grooves: While we regard this as a close factual issue, we hold that the district court did not clearly en- in finding that Johnson taught away from Moore, and therefore was not shown to be combinable with Moore. Because the district court did not clearly err in finding that one of ordinary skill would not be motivated to combine Johnson and Moore, the district court correctly concluded that Wang did not establish a prima facie case of obviousness by clear and convincing evidence. See In re Dance, 160 F.3d at 1343, 48 USPQ2d at 1637.

If Wang had succeeded in establishing a prima facie case of obviousness based on the first three obviousness factors, the burden of production would have shifted to Winner. See In re Huang, 100 F.3d 135, 139, 40 USPQ2d 1685, 1689 (Fed. Cir. 1996); Burlington Indus., 822 F.2d at 1582-83, 3 USPQ2d at 1437-38 (reviewing a section 145 decision and holding that district court correctly concluded that applicant had successfully rebutted Commissioner's prima facie case of obviousness). Relevant to that inquiry would have been such objective indicia of non-obviousness as the evidence of commercial success submitted by Winner. See *id*. Because Wang failed to establish a prima facie case of obviousness, however, Winner was not required to establish commercial success. Thus, we need not review the district court's. finding that commercial success was established.

Assuming, arguendo, prima facie proof of obviousness, we do not believe the district court clearly erred in finding commercial success or that it erred in concluding that it overcame the other Graham factors. It is presumed that Winner established a nexus between its commercial sales of the Super Club, the Club GL and Ultra Club and the patented features because they embody the disclosure of the '047 improvement patent. J.T. Eaton & Co. v. Atlantic Paste & Glue Co., 106 F.3d 1563, 1571, 41 USPQ2d 1563, 1647 (Fed. Cir. 1997) ("When a patentee can demonstrate commercial success, usually shown by significant sales in a relevant market, and that the successful product is the invention disclosed and claimed in the patent, it is presumed that the commercial success is due to the patented invention."). Moreover, the survey introduced at the district court by Winner established that a statistically significant percentage of customers viewed the self-locking ratcheting mechanism of the '047 patent as being of more value to them, and reported that the self-locking ratchet was the very reason they purchased the device, as opposed to those requiring key-locking, and was the reason they were willing to pay more for such a lock than for one without it, such as the original Club. When such evidence was introduced, it became Wang's burden to show that it should not be given weight. See id. ("If a patentee makes the requisite showing of nexus between commercial success and the patented invention, the burden shifts to the challenger to prove that the commercial success is instead due to other factors extraneous to the patented invention, such as advertising or superior workmanship."); Demaco Corp. v. F. Von Langsdorff Licensing Ltd., 851 F.2d 1387, 1394, 7 USPQ2d 1222, 1227 (Fed. Cir. 1988) ("A patentee is not required to prove as part of its prima facie case that the commercial success of the patented invention is not due to factors other than the patented invention."). Given the evidence before the district court, it did not clearly err in finding that the survey showed the nexus between the patented features, especially the keyless self-locking ratcheting mechanism, of the Super Club line of products and the reasons the consumers bought the products. Nor did Wang's evidence overcome the proof of nexus.

III.

EVIDENTIARY ISSUES

A district court's decision to admit or exclude evidence at trial is reviewed for abuse of discretion. See Conservolite, 21 F.3d at 1103, 30 USPQ2d at 1630 (Fed. Cir. 1994). Wang argues that the district court abused its discretion by allowing Winner to present (1) late-disclosed witnesses and (2) documents and testimony pertaining to the nexus required to show commercial success, namely a survey and foundational witnesses for the survey. Wang admits that the commercial success issue was raised before the Board but argues that the subsidiary nexus issue was not, and therefore Winner could not raise the issue before the district court, as it must be deemed waived.

Winner points out that Wang never even identifies which witnesses should not have been allowed to testify as "late-disclosed." With respect to the evidence of commercial success, Winner argues that the nexus evidence was clearly admissible because commercial success was at issue before the Board and, therefore by implication, the nexus issue was as well.

We agree with Winner that the district court did not abuse its discretion in allowing allegedly late-disclosed witnesses to testify.

Such witnesses were never even identified by Wang in his opening brief, and, after Winner pointed this out in its response brief, Wang still failed to identify the witnesses in his reply brief. Under such circumstances, we will not search the record on the chance of discovering which witnesses Wang was complaining of and then determine whether the district court abused its discretion. Thus, whichever witnesses Wang was alluding to, admission of their testimony cannot be said to be an abuse of discretion based on the vague arguments made by Wang on appeal.

We also agree with Winner that the district court did not abuse its discretion in admitting the new testimony and survey report regarding the nexus between commercial success and the patentably distinct feature of the claimed invention. Wang's argument, based on a distinction between the issues of commercial success and nexus, is flawed. The evidence showing a nexus between large sales and the patentable features of the invention of the '047 improvement patent is at least relevant to the issue of commercial success before the Board. See Estee Lauder, 129 F.3d at 592, 44 USPQ2d at 1613 ("[D]istrict court did not abuse its discretion in allowing Estee Lauder to introduce evidence of the [tests not before the Board] insofar as this evidence was relevant to its reduction to practice." (emphasis added)). Indeed, establishing such a nexus is required in order to establish commercial success. See Gambro Lundia, 110 F.3d at 1579, 42 USPQ2d at 1384 ("Of course, the record must show a sufficient nexus between this commercial success and the patented invention"). Thus, here raising the commercial success issue necessarily raised the nexus issue as well. Accordingly, the district court did not abuse its discretion by admitting the testimony and documents relating to the nexus required to show commercial success.

IV.

MOTION TO TRANSFER

A district court may transfer an action to another district court for, the "convenience of parties and witnesses, in the interest of justice." 28 U.S.C. § 1404(a) (1994). Our review of the district court's denial of Wang's motion to transfer, as a procedural matter, is governed by the law of the regional circuit in which it sits, here the United States Court of Appeals for the District of Columbia Circuit. See Stewart Org., Inc. v. Ricoh Corp., 487 U.S. 22, 32 (1988) (classifying section 1404(a) as a procedural rule); Regents of the Univ. of Cal. v. Eli Lilly and Co., 119 F.3d 1559, 1565, 43 USPQ2d 1398, 1403 (Fed. Cir. 1997) (applying regional circuit law). In that circuit, the burden of persuasion on the transfer issue was on Wang, and the district court's denial of Wang's motion is reviewed for an abuse of discretion. See Securities and Exchange Comm'r v. Savoy

Indus., Inc., 587 F.2d 1149, 1154 (D.C. Cir. 1978).

Wang argues that the district court should have granted his motion to transfer this action to the District Court for the Central District of California, where several other cases have been stayed pending the outcome of the interference and this action because to do so would be convenient to the parties and in the interests of justice. Winner argues, however, that it was just as convenient for the parties to litigate in Washington, D.C. as in California, and that the interests of justice actually favored litigation in Washington, D.C. because this aspect of the litigation will be resolved years before it would have been if the motion to transfer were granted.

We discern no abuse of discretion in the district court's denial of Wang's motion to transfer. Even though there are several related pending cases in the Central District of California, it is not clear that it would'be a more convenient location for the parties to litigate. Persons scheduled to testify at trial for the parties lived in Pennsylvania; the experts lived in Connecticut, Virginia, and California; and the attorneys were from Virginia and New York. With parties, witnesses, and attorneys coming from such varied. locations, several of which are closer to Washington, D.C. than California, it could not easily be said that it would be more convenient to try the case in the Central District of California. In addition, the interests of judicial economy were well served because the section 146 action was tried and result obtained in just six months after the motion to transfer was denied--presumably much more quickly than would have been the case if this action were transferred to the Central District of California where several other cases were pending. See Savoy Indus., 587 F.2d at 1156 (considering the delay that would have been encountered if the motion to transfer were granted as a factor weighing in favor of denying the motion). Under such circumstances, the district court did not abuse its discretion in denying Wang's motion to transfer.

V.

CONCLUSION

The district court did not clearly err in its findings of fact with respect to its obviousness analysis and did not err in concluding that the invention of the '047 patent would not have been obvious. In addition, the district court did not abuse its discretion in admitting testimony and documents or in refusing to transfer the case. Accordingly, the judgment of the district court is

AFFIRMED.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

98-1553

WINNER INTERNATIONAL ROYALTY CORPORATION,

Plaintiff-Appellee,

v.

CHING-RONG WANG

Defendant-Appellant.

JUDGMENT

ON APPEAL from the United State District Court for the District of Columbia

in CASE NO(S). 96-cv-2107

This CAUSE having been heard and considered, it is

ORDERED and ADJUDGED:

AFFIRMED.

ENTERED BY ORDER OF THE COURT

DATED Jan 27 2000

/s/
JAN HORBALY, CLERK

ISSUED AS A MANDATE: MARCH 13, 2000

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

WINNER INTERNATIONAL ROYALTY CORPORATION, Plaintiff, v. CHING-RONG WANG, Defendant.	FILED June 12, 1998 Nancy Mayer-Whittington, Clerk U.S District Court Civil Action No. 96-2107 Judge Stanley Sporkin

MEMORANDUM OPINION

This matter comes before the Court on review of the Patent and Trademark Office Board of Patent Appeals and Interferences decision on the patentability of Plaintiff's invention, an automobile anti-theft device commonly known as the "Super or Ultra Club." Wang v. Wu, Interference No. 102,654 (July 19, 1996). In 1991, an administrative law judge of the Patent and Trademark Office ruled that all of the claims (1 through 4) to Plaintiff's patent and claims 9-11 of the related patent application were invalid on their face in light of other patents and devices in existence at the time of the invention. On July 19, 1996, the Board of Patent Appeals issued a split opinion reversing in part and affirming in part that decision with regard to very specific components mentioned in claims 1 and 3 of Plaintiff's patent, the board reversed and found valid grounds for the issuance of a patent. Yet on the broader claims 2 and 4 of the patent and claims 9-11 of the related patent application, the Board affirmed the lower decision and found Plaintiff's device to be invalid and unpatentable.

On appeal to this Court, Plaintiff contends that the Board erred as to claims 2 and 4, and 9-11, which Defendant contends that the Board erred as to claim 1 and 3. In essence, Plaintiff asks this Court to affirm and reverse in part the Board's decision and to hold its device patentable in it entirety. The Defendant asks this Court to do exactly the opposite and affirm and reverse in part the Board's decision and to hold Plaintiff's device unpatentable and invalid in its entirety. This Court heard the matter without a jury from May 7, 1998 to May 13, 1998, May 27, 1998 and on June 1, 1998.

BACKGROUND

Plaintiff, the Winner International Royalty Company ("Winner"), is a Delaware corporation with its principal place of business in Sharon, Pennsylvania. Winner is the distributer and patent holder of the original steering wheel anti-theft device known as the "Club," United States Patent No. 4,738,127 ("'127 or Johnson Patent"). The Club has two telescoping rods with hooks at each end to attach to the steering wheel. It operates by having one of the rods extend well beyond its hook portion such that when in place, it prevents full rotation of the steering wheel. To lock in place, the Club employs a dead-bolt style locking mechanism, requiring a key to allow the telescoping rod to be moved in place.

In 1998, Jinn F. Wu, the Taiwanese manufacturer of the original Club, developed another steering wheel anti-theft device, now known as the "Ultra or Super Club." The Ultra Club operates in much the same way as the original Club, with two rods hooking at each end to mount on the steering wheel. In contrast to the Club's dead-bolt locking mechanism, however, the Ultra Club employs a ratcheting mechanism that allows for the telescoping rods to be extended and locking in place without the use of a key. While it is undisputed that the dead-bolt locking mechanism of the Club is more tamper-resistant and thus more secure, than the spring loaded ratcheting mechanism of the Ultra Club, the self-locking feature of the Ultra Club is more convenient and user-friendly to the consumer. Wu received a patent for this new device, United States Patent No. 4,935,047 ("'047 Patent"), which he in turn assigned to the Plaintiff Winner International. The '047 Patent is the patent at issue in this case.[1]

The Defendant, Ching-Rong Wang ("Wang"), is a Taiwanese national who resides in Taiwan, the Republic of China. Wang also received a patent, United States Patent No. 4,887,443 ("'443 Patent"), for a steering wheel anti-theft device which looks and works very much like the Ultra Club. Wang owns a company in Taiwan which manufactures the device, known as the "Gorilla Grip," and he distributes it in the United States through its exclusive distributer, Amcor Industries.

In the fall of 1991, it came to the attention of the Patent and Trademark Office that there existed two competing patents on essentially the same device. An interference was declared, and Administrative Patent Judge John Martin conducted the proceeding to determine which of the two patents had priority over the other. At some point in the proceeding, Defendant Wang chose not to pursue his own patent, but instead moved to hold both his and Plaintiff Wu's competing patent invalid and facially unpatentable. Under 35 U.S.C. § 103, "[a] patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." Given the other automobile anti-theft device patents in existence at the time that also disclosed use of a ratcheting lock, Wang asserted under 35 U.S.C. § 103 that each of the claims in Wu's '047 Patent was "obvious" in light of the prior art and thus unpatentable. In essence, Wang argued that the concept of a "Club" with a self-locking feature was unpatentable, and thus anyone in the public domain had the right to manufacture such a device without fear of patent infringement. In that way, Wang could protect the sale of the Gorilla Grip even is he lost his rights to the '443 patent.

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[1] In addition to the '047 Patent, also at issue in this case is Wu's related patent application for the Super Club, Application 07/478,411 or the '411 Application. In essence, claims 9-11 of the '411 Patent Application are encompassed within claims 1-4 of Wu's '047 Patent such that a decision on the merits as to claims 1-4 adequately addressed 9-11 as well.

Judge Martin rejected the specific prior art references cited by Wang, but nonetheless found Wu's claims to be facially obvious in light of the other prior art references disclosed by both parties in their patent applications. In his opinion, Judge Martin found Wu's '047 patent to be obvious over the original Club patent (the Johnson '127) in view of United States Patent No. 3,462,982 ("'982 or Moore Patent"), Published Taiwan Patent of Addition Application No. 74,210,699 ("'699 or WuRoc Patent"), and the Published French Patent Application No. 2,566,398 ("'398 or Grimaldi Patent").

The Moore Patent discloses a Y shaped steering wheel lock which uses a ratcheting mechanism requiring a key for removal, but not installation. The two legs of the Y have immovable hook-shaped claims for engaging the steering wheel. The third leg, or base, of the Y has teeth along the edges of the leg and a movable claims which rides on the teeth. The movable clamp works by using a spring-loaded ratcheting lock mechanism to permit the clamp to be moved into place on the steering wheel without the use of a key. Patented in 1969, the Moore Patent was mentioned as prior art not only in the Wu '047 Patent application, but also in the original Johnson '127 patent.

The Wu Roc Patent discloses a "versatile locking core" that can employ either a dead-bolt lock or a ratcheting lock for use in the lock housing of a key operated automobile anti-theft device. The invention is described for the use and convenience of the manufacturer, who, with the patent blueprint, can manufacture either lock for an anti-theft device which minimal cost for change of parts. Since the patent is essentially for the dual locking feature, it fails to describe the rest of the anti-theft device, or indicate where the device would be placed in the car. The inventor of this patent is the same Wu listed on the '047 Patent now in contention. This "WuRoc" Patent was issued a year after the Johnson Patent and two year prior to the Wu '047 Patent.

The Grimaldi Patent discloses a number of automobile anti-theft devices which lock the clutch or brake pedal against the floor board of the car. The devices disclosed in the patent use a ratcheting style mechanism to lock the devices in place. A circular rod is mounted to the floorboard and has a series of identical circumferential grooves, each of which has an annular, vertical, surface, and a sloping (i.e. frusto-conical) surface separated by a cylindrical outer surface. The arm of the clutch or brake pedal is held against the floorboard by a movable, key-operated locking frame, which includes a spring-biased locking pin for ratcheting engagement with the grooves on the rod. The spring loaded locking bolt in the patent is contained, for added security purposes, within a "blind bore," which is a bore formed with a single opening that opens into the passage that carries the locking rod, and is thus blocked by the rod when it is in place.

In sum, Judge Martin reasoned that one of ordinary skill in the art would have been able to combine the teachings of these other patents along with the Johnson '127 Patent to easily figure out a way to change the dead-bolt mechanism of the Johnson Patent to a ratcheting lock. On this point Judge Martin stated that "an artisan (a) would have been aware of the ratcheting-type steering wheel locks disclosed in Moore and WuRoc, (b) would have considered Johnson's dead bolt-type locking device to be disadvantageous compared to the Moore and Wu Roc devices in that it requires a key for installation, and thus (c) would have been motivated to make Johnson easier to sue, albeit less secure, by replacing his dead bolt mechanism with a suitable ratcheting mechanism." Bd. at 65.

With this set of assumptions in mind, Judge Martin found that it would have been facially obvious to an ordinary artisan to modify the Johnson Patent to produce the '047 device. The judge analyzed that one fo ordinary skill in the art would have turned to the Moore Patent for information concerning the ratcheting lock. Judge Martin reasoned that once an artisan determined from the Moore Patent that a ratcheting lock would be more convenient than a dead-bolt, he would have looked to the structural teachings of "Wu Roc" and "Grimaldi" to design the actual ratchet to replace the dead-bolt design of the Johnson Patent. From Wu Rock, the judge found that an artisan would have been able to devise the basic design and mechanics of a superior ratcheting lock capable of being used in an automobile anti-theft device. Yet given Wu Roc's claimed use in either a dead-bolt or ratchet lock design, the judge noted that an artisan would clearly know to adapt the patent fro ratchet use only. What is more, one skilled in the art would further have looked to the Grimaldi Patent for information on specific rod shape and pawl design as an enhancement of the basic Wu Rock design. Judge Martin concluded that even though a number of modifications to the Wu Roc and Grimaldi ratchet lock designs were needed to reach the specifications of the '047 patent, the combined teachings of the prior art would have suggested those changes to one of ordinary skill in the art. For those reasons, he rejected all four of the claims asserted in the Wu '047 Patent and related claims 9-11 of the Wu '411 Patent Application on the grounds of obviousness.

Upon finding a *prima facie* case of obviousness, Judge Martin noted that the legal analysis could not end there: secondary considerations such as commercial success had to be considered as rebuttal evidence to the initial finding of obviousness.[2] Yet upon considering the secondary factors such as commercial success, Judge Martin concluded that there was insufficient evidence to rebut the *prima facie* case of obviousness. Although no one disputed that Plaintiff's market share from the '047 Patent was enough to constitute a "commercial success," Judge Martin found that there lacked the necessary "nexus" between the sales of the Super Club and the claimed merits of the patent. In other words, he held that the Plaintiff failed to prove that Super Club sales were due to its self-locking feature rather than other factors such as extensive advertising, unclaimed features, and Plaintiff's dominant market position vis-a-vis the original Club. Accordingly, Judge Martin held Plaintiff's invention to be invalid in its entirety.

On appeal to the Patent and Trademark Office Board of Patent Appeals and Interferences, the three judge panel split in its opinion. Judge Martin, who had presided over the interference, affirmed his earlier decision in whole. Judge Sofocleous disagreed. He wrote that in his view, "it would not have been obvious to one of ordinary skill in the art to have modified the apparatus of Johnson by replacing its dead bolt locking mechanism with a ratchet-type locking mechanism as taught by Wu Rock." Bd. at 106. He found that "the Johnson patent teaches away from such modification in view of

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[2] As the Federal Circuit held, "Secondary considerations such as commercial success may provide the most cogent and judicially useful evidence of non-obviousness as they are objective evidence concerning how the patented device is viewed in the marketplace by those directly interested in the product." Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1538 (Fed. Cir. 1983).

Johnson's express teachings that a ratchet-type locking mechanism is disadvantageous" and further concluded that "there would have been no incentive or motivation for one of ordinary skill in the art to modify the apparatus of Johnson as suggested by [Judge Martin], since none of the references teaches or suggests that the Johnson dead bolt locking mechanism is disadvantageous to use, thereby providing incentive or motivation to replace the dead bolt mechanism with another type of locking mechanism such as a ratchet-type locking mechanism." Id.

Splitting the difference between the two, and thereby becoming the majority opinion, Judge Pate concurred with Judge Martin as to nearly all of the elements of the '047 Patent. For the reasons given by Judge Martin in his opinion, judgment was entered by the Board against claims 2 and 4 of the Wu '047 Patent on the ground of unpatentability for obviousness in view of Johnson, Moore, Wu Roc, and Grimaldi. However, with regard to the blocking plug of the blind bore as specified in claims 1 and 3 of the Wu '047 Patent, Judge Pate held that one of ordinary skill would not have found it obvious "to extend the blocking plug a sufficient distance in the bore to act as a pin to pin the lock housing to the tube." Id. at 104. He wrote, "There is simply no teaching beyond the mere blocking of the bore that would have taught making the plug into a pin that serves an additional, and entirely separate security function." Id. This is the decision from which both parties cross-appealed to this Court.

ANALYSIS

Under 35 U.S.C. § 103, "[a] patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." Factual findings, reviewed for clear error, constitute the foundation for the ultimate legal determination of obviousness. See, e.g., In re Mayne, 104 F.3d 1339, 1341 (Fed. Cir. 1997). In determining obviousness, the following factual findings must be considered: (1) the scope and content of the prior art; (2) the differences between the prior art and the claimed invention; and (3) the level of ordinary skill in the art. See, Graham v. John Deere Co., 383 U.S. 1, 17 (1966). In sum, the determinations under § 103 is whether the claimed invention as a whole would have been obvious to a person of ordinary skill in the art at the time the invention was made. See, e.g., Medtronic, Inc. v. Cardiac Pacemakers, Inc., 721 F.2d 1563, 1567 (Fed. Cir. 1983). A Section 103 determination involves mixed questions of law and fact. While the ultimate question of obviousness is one of law, and thus subject to de novo review, the underlying inquiries into the scope and content of the prior art, differences between the prior art and the claimed invention, and the level of ordinary skill in the art, are questions of fact, subject to review under the clearly erroneous standard. See. e.g., Kahn v. General Motors Corp., 135 F.3d 1472, 1479 (Fed. Cir. 1998). As the Supreme Court enunciated in United States v. United States Gypsum Co., 333 U.S. 364, 395 (1948), "A finding is 'clearly erroneous' when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed."

Upon carefully examining the prior art references and listening to the testimony presented at trial, including the expert testimony of those with ordinary skill in the art, this Court finds that the Board of Patent Appeals erred in rejecting claims 2 and 4 of the Wu '047 Patent, and the related claims 9-11 of the Wu '411 Patent Application, on the grounds of obviousness. The Board began with a set of assumptions that necessarily determined the outcome: (a) that an artisan would have been aware of the ratcheting-type steering wheel locks disclosed in the Moore and Wu Roc Patents, (b) the artisan would have considered Johnson's dead bolt-type locking device to be disadvantageous compared to the Moore and Wu Roc devices to the extent that Johnson requires a key for setting in position and adjusting the device, and thus (c) the artisan would have been motivated to make Johnson easier to use, albeit less secure, by replacing the dead bolt mechanism of the Johnson Patent with a suitable ratcheting mechanism. Bd. at 65.

While none of the parties dispute assumption (a), that one of ordinary skill in the art would have been aware of the Moore and Wu Roc patents, this Court finds that the other two assumptions were not supported by the prior art, and thus clearly erroneous. Upon reading the Johnson Patent, this Court finds no suggestion of a material disadvantage to using a dead-bolt lock rather than a ratcheting lock. The Johnson Patent would seem to negate the use of a ratcheting mechanism in an anti-theft device. In its reference to Moore, the one ratcheting device already in existence, Johnson mentions that the exposed teeth and ratcheting functions of the Moore Patent are more prone to security breeches than the dead-bolt employed by the Johnson Patent. ("The locking mechanism[] of Moore . . . [is] exposed, and include pry points there about in which a crowbar may be inserted in an attempt to overcome such mechanisms.") '127 Patent at 1.

The Wu Roc Patent also makes no suggestion of a comparative disadvantage to using a dead-bolt lock rather than a ratcheting one. While Judge Martin was right to note that Wu Roc seems to suggest that a manufacturer may also want to produce a ratcheting anti-theft device as sell as a dead-bolt, the Wu Roc patent discloses no reason why, in light of the success of Johnson '127, it would be advantageous to use a ratchet instead.

As for the Grimaldi Patent, which discloses an anti-theft device for the clutch rather than the steering wheel, there is clearly no suggestion whatsoever to combine its rod and pawl design with the Johnson Club. None of the prior art references relied upon by the Board of Patent Appeals provides any reason to motivate one skilled in the art to replace the dead-bolt lock of Johnson with a ratcheting device.

Defendant's expert, Mr. Walter E. Surko, Jr., testified that in the design of a commercial viable lock, the benefits of additional security must always be weighed against the need for relative convenience. In that sense, the combination of the Johnson Club with a self-locking feature is not an extraordinary invention; it is deceptively simple. However, simplicity alone cannot be determinative of obviousness. See Gentry Gallery, Inc. v. Berkline Corp., 134 F.3d 1473, 1478 (Fed. Cir. 1998); see also *In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992) ("Simplicity is not inimical to patentability."). The standard of obviousness is not whether in hindsight, it seems elementary that someone would have combined these certain elements in the prior art to form the invention in question. See e.g., W.L. Gore & Assoc., Inc. v. Garlock, Inc., 721 F.2d 1540, 1551 (Fed. Cir. 1983). Hindsight is almost always perfect. It is insufficient to prove that at the time of the claimed invention, the separate elements of the device were present in the known art. Rather, there must have been some explicit teaching or suggestion in the art to motivate one of even ordinary skill to combine such elements so as to create the same invention. See Arkie Lures, Inc. v. Gene Larew Tackle, Inc., 119 F.3d 953, 957 (Fed. Cir. 1997). In this case, nothing in the prior art suggests that the Johnson '127 device could be readily combined with the Moore, Wu Roc, and Grimaldi Patents so as to achieve Wu '047.

Without this assumption, Judge Martin's majority opinion must be rejected. As Judge Martin himself conceded, one of ordinary skill in the art would only turn to the Grimaldi and Wu Roc Patents after first learning from Moore the basic idea of replacing the dead-bolt lock with a ratchet lock. Clearly, if one could not glean from Moore the initial suggestion of a complex combination, Wu Roc and Grimaldi in and of themselves would certainly not provide much guidance as to how to construct the Wu '047 device. If one of ordinary skill in the art would not have thought to combine the Johnson Patent with some form of a ratchet mechanism, then the fact that Wu '047 may have borrowed some elements from Wu Roc and Grimaldi becomes irrelevant. Again, absent some teaching or suggestion in the prior art to combine the features of Wu Roc and Grimaldi with Johnson, the Board could not, under the law, find "obviousness" even if there existed in the prior art some separate individual elements of the claimed invention. Id.

In light of this Court's finding that the Wu '047 Patent is valid on its face, it need not reach the secondary issue of commercial success. Such factors need to be considered only if there has been a *prima facie* determination of obviousness, at which point the burden shifts to the plaintiff to show by objective evidence commercial success, copying, or a long felt need satisfied by the invention. See Graham v. John Deere Co., 383 U.S. 1, 35-36 (1966). Yet while not required to address this point, the Court finds that Plaintiff put in sufficient evidence to establish the commercial success of the '047 Patent. It was undisputed at trial that since 1988, Plaintiff has sold more than one and a half million units of the '047 Patent, worth more than 60 million dollars in sales. This Court finds that the economic data submitted by Plaintiff in this case adequately supports its position: the Super or Ultra Club is able to command a significantly higher retail price that the original Club to meet the peculiar needs of certain consumers.

Although the consumer survey proffered by the Plaintiff was, to an extent clawed because it was not as objective as it could have been, the Court nonetheless finds that the data has some value and was clearly consistent with the facts of commercial success. Accordingly, for all of the reasons set forth above, the Court finds that the Board erred in its rejection of claims 2 and 4 of the Wu ';047 Patent and claims 9-11 of the Wu '411 Patent Application and reverses the Board's July 16, 1996 opinion as to those claims. An appropriate Order follows.

6/12/98
Date

/s/
Stanley Sporkin
United States District Judge

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

WINNER INTERNATIONAL
ROYALTY CORPORATION,

Plaintiff,

v.

CHING-RONG WANG,

Defendant.

FILED
June 12, 1998
Nancy Mayer-Whittington,
Clerk
U.S District Court

Civil Action No. 96-2107
Judge Stanley Sporkin

ORDER

For the reasons set forth in the Memorandum Opinion above, it is hereby

ORDERED that the Patent and Trademark Office Board of Patent Appeals July 19, 1996 decision in Wang v. Wu, Interference No. 102,654, as to claims 2 and 4 of the Wu '047 Patent and claims 9-11 of the Wu '411 Patent application is REVERSED; and it is further

ORDERED that the Patent and Trademark Office Board of Patent Appeals July 19, 1996 decision in Wang v. Wu, Interference No. 102,654, as to claims 1 and 3 of the Wu '047 Patent is AFFIRMED.

6/12/98
Date

/s/
Stanley Sporkin
United States District Judge

THIS OPINION WAS NOT WRITTEN FOR PUBLICATION

The opinion in support of the decision being entered today (1) was not written for publication in a law journal and (2) is not binding precedent of the Board.

Paper No. 217

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

CHING-RONG WANG,

Junior Party,[1]

v.

JINN F. WU,

Senior Party.[2]

MAILED
JUL 19 1996
pat&tm office
board of patent appeals
and interferences

Patent Interference No. 102,654

FINAL HEARING: NOVEMBER 17, 1995

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[1] Patent 4,887,433, granted 12/19/89, based on application 07/338,216, filed 4/14/89.

[2] Involved on the following patent and two applications, all assigned to Winter International ("Winner"):
(a) Patent 4,935,047, granted 6/19/90, based on 07/287,105, filed 12/20/88;
(b) Application 07/478,411, filed 2/12/90, which is identified as a division of 07/287,105, filed 12/20/88; and
(c) Application 07/627,975, filed 12/17/90, which is identified as a continuation of 07/478,411, filed 2/12/90.

Interference No. 102,654

Sofocleous, Pate and Martin,[3] Administrative Patent Judges.

Martin, Administrative Patent Judge.

There are three separate opinions because Judges Pate and Sofocleous do not concur in my conclusion that all of Wu's involved claims are unpatentable for obviousness. Judge Pate disagrees with that conclusion as to claims 1 and 3 of the Wu patent, and Judge Sofocleous is of the opinion that none of Wu's involved claims is unpatentable for obviousness.

The subject matter of this interference is an automobile anti-theft device which is mounted on an automobile steering wheel in order to restrict its rotation. This steering wheel lock is similar to the prior art steering wheel locking device disclosed in Johnson Patent 4,730,127[4] ("Johnson") (WaX 16),[5] marketed as THE CLUB® (WaX 20), in that both include two telescoping tubular members having respective hook portions for engaging the outer ring of the steering wheel, with one of the tubular members extending well beyond its hook portion in order to interfere with rotation of the steering wheel. THE CLUB® employs a "dead bolt" type locking mechanism, which requires a key to permit the telescoping members to be moved relative to each other in either direction, i.e., to be extended for mounting on the steering wheel and to be collapsed for removal from the steering wheel. In contrast to Johnson's "dead bolt" locking mechanism, the steering wheel lock of the count and the parties' claims that correspond thereto employs a ratcheting mechanism that allows the telescoping members to be extended without the use of a key, thereby allowing the lock to be installed faster and easier. A key is needed only to collapse the members for removal of the lock from the steering wheel.

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[3] In accordance with longstanding Board practice, the administrative patent judge (APJ) whose decisions are under review at this final hearing, Judge Martin, is a member of this final hearing panel. See Board of Patent Appeals and Interferences Standard Operating Procedure 94-05 (Oct. 27, 1994). At the outset of the final hearing, Wu orally moved for Judge Martin to recuse himself on the ground that he should not be reviewing his own *sua sponte* decisions. Judge Martin dismissed the oral motion as not authorized by the rules. In a paper mailed immediately after the hearing (paper No. 209), Judge Martin repeated that ground for dismissal and added the alternative ground of belatedness, holding that the motion should have been filed prior to the hearing. Several days later, Wu filed a written record of his oral objection to Judge Martin's participation on the panel (paper No. 211).

[4] Unless otherwise noted, references to patents are to U.S. patents. The Johnson patent is Winner.

[5] The terms "WaX" and "WuX" refer to Wang's and Wu's exhibits, respectively. The parties' records are identified as "WaR" and "WuR."

Count 2, the sole count, reads as follows:

Count 2

An anti-theft device for attachment to a steering wheel of an automobile comprising:

an elongated tubular member having an inner end, an outer end and an elongated passageway extending along its axis therethrough, said tubular member having a first U-shaped hook portion extending therefrom with the closed end of the U-shaped portion generally adjacent to but slightly spaced from the inner end of said tubular member and the open end of said U-shaped portion facing said outer end of said tubular member but substantially removed therefrom, said U-shaped hook portion of said tubular member further defined by a bottom leg portion generally extending in the direction of said tubular member's axis and terminating at a distance substantially removed from said outer end of said tubular member, said U-shaped hook portion of said tubular. member adapted to engage said wheel from the inside thereof with said outer end of said tubular member extending a substantial distance beyond the periphery of said wheel;

a rod member having an elongated rod adapted to extend in a telescopic manner within said passageway of said tubular member and a second U-shaped hook secured to one end of the rod, having an opening facing opposite to the first hook and adapted to engage said wheel from the inside thereof;

a plurality of spaced annular grooves each comprising a vertical[6] side wall relatively close to the second U-shaped hook and a convex or slope side wall relatively far from the second U-shaped hook, circumferentially formed in a portion of the rod;

a housing means firmly formed around an end portion of the tubular member with the elongated passageway of the tubular member extending therethrough;

a lock having a locking member extending downwardly and having at least one side of longer dimension and one side of shorter dimension;

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[6] The parties appear to agree that the term "vertical" as used in the count and the parties' involved claims means perpendicular to the axis of the rod member (col. 2, lines 1921).

means offset with respect to the axis of the tubular member in the housing means for firmly receiving the lock;

a transverse passageway transversely formed in the housing means and interconnecting bore means and the passageway in the tubular means in the housing means;

rod-like bearing means slidable accommodated in the transverse passageway under the lock and having a tenon member attached to an end thereof and arranged to be actuated between a locking position with the tenon member protruding into an annular groove in the rod and an unlocking position with the tenon member withdrawn from [the] annular groove and opposed vertical side walls between the locking member being controlled to position the tenon member in locking or unlocking position through the rodlike bearing member by means of the locking member; and

a-spring member disposed in the transverse passageway and biasing the rod-like bearing means towards the passageway in the tubular member.

This interference originally involved only Wu application 07/627,975 ("the '975 application") and Wang patent 4,887,443 ("Wang patent") but was redeclared to add Wu Application 07/478,411 ("the '411 application") and Wu Patent 4,935,047 ("Wu patent"). The claims now involved in the interference, i.e., the claims that were designated as corresponding to Count 2 in the redeclaration notice, are:

Wang patent claim 1;
Wu '975 application claim 12;
Wu '411 application claims 9-11; and
Wu patent claims 1-4.

I. The standard of review

Each of decisions we have been asked to review is an "interlocutory decision," a term that applies to all decisions except "final" decisions awarding judgment as to all counts. 37 CFR § 1.601(q).[7] Thus, the term "interlocutory decision" includes the *sua sponte* decisions we have asked to review. A party seeking reversal of an interlocutory decision has the burden of showing that the decision was an "abuse of discretion." 37 CFR § 1.655(a). An abuse of discretion may be found when

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[7] Except where otherwise noted, references to the interference rules are to the rules as amended effective April 21, 1995. Patent Appeal and Interference Practice -Notice of Final Rule (hereinafter 1995 Final Rule Notice), 60 Fed., Reg. 14,488 (March 17, 1995): 1173 Off. Gaz. Pat. Trademark office 36 (April 11, 1995).

> (1) the decision of an administrative patent judge is clearly unreasonable, arbitrary or fanciful, (2) the decision is 'based on an erroneous conclusion of law, (3) the findings of the administrative patent judge are clearly erroneous, or (4) the record contains no evidence upon which the administrative patent judge rationally could have based the decision. *Compare, e.g., Heat and Control, Inc. v. Hester Industries, Inc.*, 785 F.2d 1017, 1022, 228 USPQ 926, 930 (Fed. Cir. 1986); *Western Electric Co. v. Piezo Technology, Inc. v. Quigg*, 860 F.2d 428, 430-31, 8 USPQ2d 1853, 1855 (Fed. Cir. 1988); *Abrutyn v. Giovanriiello*, 15 F.3d 1048, 1050-51, 29 USPQ2d 1615, 1617 (Fed. Cir. 1994).

1995 Final Rule Notice, 60 Fed. Reg. at 14514-15; 1173 Off. Gaz. Pat. & Trademark Office at 58.

II. Summary of the issues

Priority is not an issue at this final hearing. Nor is the patentability of Wang's sole involved claim, which Wang has conceded is unpatentable for anticipation by or obviousness in view of Wu's involved patent, which is available as prior art against Wang's claim under 35 U.S.C. § 102(e). Wang also concedes his claim is unpatentable for obviousness over the prior art relied on in the APJ's sua sponte determination that both parties' involved claims are unpatentable for obviousness over Johnson considered in view of Moore U.S. Patent 3,462,982 ("Moore") (WaX 18), Wu Republic of China Utility Model Application 74,210,699 ("Wu ROC") (WaX 17), and Grimaldi French Patent 2,566,348 ("Grimaldi") (WaX 35). In fact, as explained *infra*, this *sua sponte* obviousness determination evolved from a decision granting a 37 CFR § 1.633(a) motion by Wang for judgment against both parties' claims for obviousness over Johnson in view of Moore, Wu ROC, Burns et al. U.S. Patent 1,327,611 ("Burns"), and Sholes U.S. Patent 871,047 ("Sholes").

Wu seeks a reversal of the *sua sponte* obviousness determination to the extent it affects his involved claims and also of the *sua sponte* determination that claim 12 of his '975 application is unpatentable under 35 U.S.C. § 112, first paragraph, for lacking written description support. In addition to challenging these *sua sponte* decisions on the merits, Wu has raised a number of procedural issues, including:

(1) whether the APJ denied Wu due process by refusing to grant his motion for summary judgment against Wang and continuing

the interference and/or-retaining Wang as, a party after Wang failed to respond to an order to show cause why judgment should not be entered against his claim for unpatentability over Wu's involved patent;

(2) whether the addition of the Wu patent to the interference violated 35 U.S.C. §§ 135 and 291, especially without the procedural and substantive protections of the reexamination procedure of 35 U.S.C. §§ 132, 133, 304, and 305;

(3) whether the APJ abused his discretion in designating claims 10 and 11 of the '411 application and claims 1-3 of the Wu patent as corresponding to the count when he added those cases to the interference and in denying Wu's later motions to have those claims designated as not corresponding to the count;

(4) whether the APJ abused his discretion in holding that his *sua sponte* determination that the subject matter of Count 2 would have been obvious over the prior art creates a rebuttable presumption that all of Wu's claims which correspond to the count are likewise unpatentable for obviousness over the prior art;

(5) whether the APJ abused his discretion in deciding that Wu failed to rebut the foregoing presumption with respect to any of his involved claims; and

(6) whether Wang's opening brief should be considered.

III. Background

The following is a detailed description of the events before and during the interference that are relevant to the issues raised by Wu.

Wu's first-filed application for the steering wheel lock at issue in this interference is Application 07/287,105, filed December 20, 1988, which eventually matured into Wu's involved patent. During prosecution of that application, Wu filed Information Disclosure Statements identifying Johnson and Moore as well as U.S. patents to Zaidener and Furber. In response to a first office action rejecting claims 1-8 for obviousness over Johnson in view of either Furber or Zaidener, those claims were canceled in favor of new claims 9-13.[8] Shortly thereafter, Wang filed an amendment[9] adding a new claim 14 based on claim 1 of Wang's involved patent, which issued on December 19, 1989. Claim 14 differed from the Wang claim in the type of language used to describe the shape of the ratchet grooves. Whereas claim 14 recited "a plurality of spaced annular grooves each of which *includes* a vertical side wall and a sloping side wall" (emphasis added), the Wang claim employs the following "consisting of" language, the interpretation of which is at issue in this interference:

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[8] Amendment received November 2, 1989, application paper No. 8.

[9] Paper No. 8h, received February 6, 1990.

> a plurality of spaced annular grooves each of which consisting [sic; consists] of a vertical side wall relatively close to the second U-shaped hook and a convex or slope side wall relatively far from the second U-shaped hook, circumferentially formed in a portion of the rod.

Following an office action finally rejecting claims 9 and 10, those claims were canceled. In addition, claim 14, which was not addressed in Office action because it reached the examiner after it was mailed, was amended by changing "sloping side wall" to "frusto conical side wall."[10] Claims 11-14 were then allowed and the application issued as the involved Wu patent on June 19, 1990, with the claims being renumbered 1-4, respectively.

On the same day the foregoing amendment was filed in the '105 application, Wu filed the '411 application, which included a preliminary amendment canceling original claims 1-8, adding a new claim 9 identical to Wang claim 1 for purposes of an interference, and adding claims 10 and 11 identical to canceled claims 9 and 10 of the '105 application. Claims 9-11 were rejqcted for obviousness-type patenting over claims 1-4 of the Wu patent, which rejection was overcome with a terminal disclaimer. Nevertheless, Wu amended claim 9 by changing the "consisting of" language used to describe the shape of the grooves to "includes" and by adding the following "whereby" clause at the end of the claim: "whereby said rod can be withdrawn from said housing into a locked position with said tenon in a locking position," which amendments were described as "minor changes clarifying the claim language."[11] Wu also filed a Supplemental Information Disclosure Statement[12] listing several patent documents, including the Grimaldi patent relied on by the APJ in his *sua sponte* determination of obviousness and Wu Republic of China (ROC)

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[10] Amendment received February 12, 1990, application paper No. 12.

[11] Amendment received December 12, 1990 (paper No. 7), at 5.

[12] Paper No. 8, received December 10, 1990.

Utility Model Patent 34,246,[13] which issued based on the Wu ROC application ("Wu ROC") relied on by the APJ in that *sua sponte* determination. The statement also included Wu ROC Patent of Addition to Utility Model Patent 34,246 ("Wu ROC Patent of Addition"), directed to an improvement on the Wu ROC device. Unverified translations of the two ROC patents and a certified translation of Grimaldi were provided.

On December 17, 1990, several days after amending claim 9 of the '411 application so that it was no longer identical to Wang claim 1, Wu filed the '975 application including a new claim 12 identical to Wang claim 1 for the purpose of provoking an interference. The examiner forwarded the '975 application and the Wang patent to the Board for declaration of an interference, which occurred on August 8, 1991, with claim 12 of the '975 application and Wang patent claim 1 being designated as corresponding to Count 1, which was identical to both claims and thus called for grooves each "consisting of" a vertical side wall and a convex or slope side wall.

During the preliminary motion period, Wang filed the above-mentioned 37 CFR § 1.633(a) motion[14] alleging that both of the parties' involved claims, i.e., Wang's claim 1 and Wu's claim 12, are unpatentable for obviousness in view of Johnson considered with Moore, Wu ROC, Burns, and Sholes. The motion was accompanied by a verified translation of Wu ROC, which is the translation relied on by the APJ. Although the record before us includes a considerable amount of testimony on this issue, no testimony was submitted by either party with the motion, opposition, or reply.

In addition, Wang filed a request[15] for the APJ to exercise his discretion under 37 CFR § 1.642[16] by adding Wu's '411 application and Wu's patent to the interference on the ground that claims 9-11 of the former and claims 1-4 of the latter are directed to the same patentable invention[17] as count 1. This request was accompanied by a 37 CFR § 1.633(c)(3) motion[18] to designate all of these Wu claims as corresponding to the count.

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[13] When counsel for Wu was asked at final hearing whether chin Fu Wu, of 127 Hai Huan Street, Tainan, Taiwan, who is named as the inventor in this ROC patent, is the same person as the Jinn Fu Wu of the same address who is named as the inventor in the applications and patent involved in this interference, counsel said we can assume that is the case.

[14] Paper No. 25, filed December 23, 1991, designated as "Wang Motion (E)" by the APJ in his "Decision on Motions: Order to Show Cause," mailed May 29, 1992 (paper No. 50).

[15] Paper No. 26, filed December 23, 1991, designated as "Wang Request (A)" by the APJ.

Wang also filed a second motion under 37 CFR § 1.633(a),[19] seeking judgment against claim 12 of the '975 application on the ground of obviousness-type double patenting over claims 1-4 of the Wu patent. On April 1, 1992, prior to issuance of a decision on the preliminary motions, Wu overcame this alleged ground of unpatentability by filing a terminal disclaimer in the '975 application.[20]

Wu filed a number of preliminary motions, including a 37 CFR § 1.633(a) motion[21] seeking judgment against Wang's claim 1 on the ground of anticipation or obviousness over Wu's involved patent, which due to its earlier filing date is available as a reference against

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[16] 37 CFR § 1.642, entitled "Addition of application or patent to interference," reads:

> During the pendency of an interference, if the administrative patent judge becomes aware of an application or a patent not involved in the interference which claims the same patentable invention as a count in the interference, the administrative patent judge may add the application or patent to the interference on such terms as may be fair to all parties.

[17] As explained in 37 CFR § 1.601(n), an invention "A" is the same patentable invention as an invention "B" when invention "A" is the same as (35 U.S.C. § 102) or is obvious (35 U.S.C. § 103) in view of invention "B" assuming invention "B" is prior art with respect to invention "A". Invention "A" is a separate patentable Invention with respect to invention "B" when invention "A" is new (35 U.S.C. § 102) and non-obvious (35 U.S.C. § 103) in view of invention "B" assuming invention "B" is prior art with respect to invention "A".

[18] Paper No. 24, filed December 23, 1991, designated as "Wang Motion (D)" by the APJ.

[19] Paper No. 22, filed December 23, 1991, designated as "Wang Motion (B)" by the APJ.

[20] Application paper No. 18.

[21] Paper No. 19, filed December 20,.1991, designated as "Wu Motion (5)" by the APJ.

Wang's claim under 35 U.S.C. § 102(e). In a 37 CPR § 1.633(c)(1) motion[22] Wu sought to replace Count 1, which used "consisting of" terminology to describe the grooves, with a proposed new count A (hereinafter "Count 2") replacing "consisting of" with "comprising." The § 1.633(c)(1) motion also sought to add to the '975 application a new claim 13 identical to proposed Count 2.

In a May 29, 1992, "Decision on Motions; Order to Show Cause,"[23] the APJ granted Wu's 37 CFR § 1.633(a) motion alleging unpatentability of Wang's claim over the Wu patent.[24] He also granted Wang's 37 CFR g 1.633(a) motion alleging that his claim 1 and claim 12 of Wu's '975 application are unpatentable for obviousness over Johnson in view of Moore, Wu ROC, Burns, and Sholes, but in doing so embellished on the reasoning set forth in the motion in several respects, including finding that one skilled in the art (1) would have considered the Johnson device disadvantageous in that it requires a key to be installed on the steering wheel[25] and (2) would have recognized that only the middle groove shown in the Wu ROC locking rod has a side wall "vertical" enough to provide locking engagement with the locking pin.[26] Furthermore, after noting his agreement with Wu's contention[27] that Burns and Sholes are cumulative in view of Grimaldi, he indicated he was relying on all three references in the alternative.[28] The APJ denied Wang's request to add the Wu application to the interference on the ground, later withdrawn, that 37 CFR § 1.642 does not apply to an application or patent that belongs to a party already involved in the interference.[29] As a result, Wang's § 1.633(c)(3) motion to designate the claims of those cases as corresponding to the count was dismissed.[30]

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[22] Paper No. 15, filed December 20, 1991, designated as "Wu Motion (1)" by the APJ.

[23] Paper No. 50.

[24] Id. at 14.

[25] Id. at 8.

[26] Id. at 9.

[27] Opposition, paper No. 30 at 1.

[28] Paper No. 50 at 9-10.

Wu's 37 CFR § 1.633(c)(1) motion to replace Count 1 ("grooves each of which consisting of") with Count 2 ("grooves each comprising") and to add a claim 13 identical to Count 2 was denied[31] on the ground that Count 2 and claim 13, being broader than the parties' involved claims, are unpatentable for obviousness over the prior art applied to those claims, with the result that the motion failed to demonstrate the patentability of Count 2 and the new claim to Wu, citing 37 CPR § 1.637(c)(1)(ii).[32] The APJ also held sua sponte that the term "consisting of" in Wang claim l and Wu claim 12 is a closed term rather than an open term, with the result that the limitation "annular grooves each of which consisting of a vertical side wall . . . and a convex or slope side wall" lacks written description support in Wu's '975 disclosure as filed, wherein each groove includes a vertical side wall and a sloping side wall which are separated by a "horizontal" (actually cylindrical) bottom wall.[33]

Based on the foregoing decisions and pursuant to 37 CFR § 1.640(d)(1),[34] the APJ concluded the paper with a three-part show cause order[35] ordering

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[29] Id. at 3-5.

[30] Id. at 6.

[31] Id. at 12-13.

[32] This provision requires a moving-party applicant to show the patentability to him or her of all claims to be added to be designated as corresponding to a new count.

[33] Paper No. 50 at 19-20.

[34] When-paper No. 50 was mailed, which was prior to the April.21, 1995, amendment, this provision authorized an APJ to issue an order to show cause only when "[a] decision on motion is entered which is dispositive of the interference against the party as to any count." As amended, this provision additionally authorizes show cause orders based on dispositive matters raised sua sponte by an APJ. 1995 Final Rule Notice, 60 Fed. Reg. at 14,511, 1173 Off. Gaz. Pat. & Trademark Office at 55-56.

[35] Paper No. 50 at 20-21.

(1) Wang to show cause why judgment should not be entered against his claim 1 on the ground of unpatentability over the Wu patent,

(2) both parties to show cause why judgment should not be entered against their involved claims for obviousness over the prior art discussed in the granting of the Wang motion, and

(3) Wu to show cause why judgment should not be entered against claim 12 of his '975 application for lack of written description support.

Wu responded by requesting reconsideration[36] of the adverse decisions that were not the basis for the show cause order,[37] requesting final hearing[38] on the decision that were the bases for the show cause order, and requesting a testimony period[39] in which to take testimony to (a) rebut some of the APJ's conclusions regarding the operation and teachings of the references relied on in granting Wang's 37 CFR § 1.633(a) motion, (b) prove commercial success of the Wu invention and copying by Wang, and (c) rebut the APJ's interpretation of claim 12 of the 1975 application.

Wang did not file a paper seeking review of the show cause order against his claim on either of the two grounds set forth therein. Instead, he filed a paper requesting that he be permitted to participate in the interference in order to be able to rebut. any evidence that Wu might submit for consideration at final hearing on the obviousness issue.[40] Wu responded to this paper with a motion seeking (1) "summary judgment" against Wang for failing to respond to the show cause order as it affects his claim and (2) immediate termination of the interference without further *inter partes* proceedings.[41]

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[36] Paper No. 56, filed June 11, 1992.

[37] 37 CFR § 1.640(c) limits requests for reconsideration of decisions on motions to decisions which did not result in issuance of a show cause order.

[38] Paper No. 54, filed June 11, 1992.

[39] Paper No. 55, filed June 11, 1992.

[40] Paper No. 58, filed June 18, 1992.

[41] Paper No. 64, filed July 6, 1992.

The APJ, persuaded that the show cause order was premature because the determinations of obviousness and lack of written description support were based on *sua sponte* reasoning, issued paper No. 70, entitled "Withdrawal of Order to Show Cause; Modification of Decisions on Motions,"[42] which withdrew the show cause order and gave Wu forty-five days in which to file an opposition and additional evidence directed only to the *sua sponte* reasoning. In addition, the APJ reconsidered and modified several of his earlier decisions by granting Wang's 37 CFR § 1.642 request to add Wu's '411 application and the Wu patent to the interference and granting Wang's 37 CFR § 1.633(c)(3) motion to designate claims 9-11 of the former and claims 1-4 of the latter as corresponding to the count. He also stated that his earlier determination that Wu claim 12 and Wang claim 1 are unpatentable for obviousness extends to the newly added claims, citing *Brooks v. Street*, 16 USPQ2d 1374, 1378 (Bd. Pat. App. & Int. 1990), which held that a judgment of unpatentability over prior art of a claim that corresponds to the count extends to all of the other claims that correspond to the count as to which the prior art has an effective filing date, i.e., that all of the claims that correspond to a count stand or fall together insofar as patentability over prior art is concerned.[43] The APJ also granted Wu's § 1.633(c)(1) motion to replace Count 1 ("grooves each of which consist[s] of") with Count 2 ("grooves each comprising") so that the count would be broad enough to encompass newly added claim 9 of the '411 application, which uses the term "includes" in describing the walls of the grooves. However, he still refused to add new claim 13 to Wu's '975 application, noting that such a claim would be unpatentable for "same invention" type double patenting over claim 9 of the '411 application, as to which Wu's terminal disclaimer would be ineffective. The interference was accordingly redeclared to replace Count 1 with Count 2 and to designate claims 9-11 of the '411 application and claims 1-4 of the Wu patent as corresponding thereto together with claim 12 of the '975 application and claim 1 of the Wang patent.[44] The APJ did not address Wu's motion for summary judgment.

Wu responded to paper No. 70 with a number of papers and motions, including:

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[42] Mailed August 26, 1992. Paper No. 70 at 9.

[43] Papoer No. 70 at 9.

[44] Paper No. 71, mailed September 21, 1992.

(1) a motion[45] (a) seeking to reinstate the withdrawn show cause order to the extent it ordered Wang to show cause why judgment should not be entered against his patent claim for unpatentability over the Wu patent, (b) requesting reversal of the *sua sponte* holding that claim 32 of the '975 application lacks written description support, and (c) requesting reversal of the decision denying Wu's motion to add claim 13 to the '975 application;

(2) a paper[46] arguing that 35 U.S.C. § 291 precludes the APJ from adding the Wu patent to the interference, which already involves the Wang patent, because that would change the proceeding to a patent-patent interference, over which the United States district courts have exclusive jurisdiction under § 291;

(3) motions[47] under 37 CFR § 1.633(c)(4) to designate claims 1-3 of the Wu patent and claims 10 and 11 of the '411 application as not corresponding to Count 2;

(4) a second motion[48] under 37 CFR § 1.633(c)(1) to add a new claim 13 identical to Count 2 to the '975 application, accompanied by an amendment canceling claim 9 of the '411 application;

(5) oppositions[49] to the APJ's determination of obviousness and lack of written description support, accompanied by a first affidavit by Marc Weber Tobias (WuR 17) and an affidavit by Timothy H. Shaffer (WuR 13).[50]

In a paper entitled "Supplemental Decision on Motions; Resumption of Proceedings,"[51] the APJ denied Wu's request to reinstate the show cause order to the extent it concerned the unpatentability of Wang's claim over the Wu patent but noted that at such time as a final judgment is entered in the interference, judgment would be entered against Wang's claim due to his failure to respond to that part of the show cause order.[52] The 35 U.S.C. § 291 argument was also considered on the merits and rejected. The 37 CFR § 1.633(c)(4) motions to designate claims 9 and 10 of the '411 application and claims 1-3 of the Wu patent as not corresponding to the count were dismissed on the ground that the arguments therein should have been made in opposition to Wang's 37 CFR § 1.633(c)(3) motion[53] to designate those claims as corresponding to the count. Wu's renewed 37 CFR § 1.633(c)(1) motion to add claim 13 to the '975 application was denied on the ground that Wu had not shown that its subject matter is patentable over the prior art that was applied to claim 12, as required by 37 CFR § 1.637(c)(2)(iii).[54]

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[45] Paper No. 72, filed September 18, 1992.

[46] Paper No. 73, filed September 30, 1992.

[47] Papers Nos. 74 and 75, filed October 2, 1992.

[48] Paper No. 78, filed October 2, 1992.

[49] Papers Nos. 80 and 81, filed October 8, 1992.

[50] Both identified as paper No. 82, filed October 8, 1992.

[51] Paper No. 95, mailed February 18, 1993.

The APJ also reviewed the Tobias and Shaffer affidavits and found that in addition to addressing his *sua sponte* reasoning on the issues of obviousness and written description support, they addressed other matters, such as commercial success, which should have been addressed in response to Wang's 37 CFR § 1.633(a) motion. The APJ indicated that the affidavits would be considered only to the extent they addressed his *sua sponte* reasoning and authorized Wang to file one or more affidavits in response to the admissible parts of the Tobias and Shaffer affidavits.[55] Wu filed a request for reconsideration[56] arguing he was entitled to have the Tobias and Shaffer affidavits considered in their entirety and was also entitled to consideration of the 37 CFR § 1.633(c)(4) motions to designate claims as not corresponding to the count. Wang responded to the Tobias and Shaffer affidavits with an affidavit by Walter Surko[57] supporting the APJ's reasoning on the obviousness issue but not addressing the written description support issue. In a decision on reconsideration, a three-member panel[58] agreed with Wu, holding[59] that

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[52] Id. at 6.

[53] Wang Motion (D).

[54] Paper No. 95 at 12.

[55] Id. at 12-13.

[56] Paper No. 99, filed March 4, 1993.

[57] Paper No. 108, filed April 4, 1993.

> [i]nstead of granting Wang Motion (E) for reasons substantially different from those stated therein, the EIC [Examiner-in-Chief[60]] should have denied the motion for failing to make out a *prima facie* [case] for obviousness and designated his conclusion of obviousness as an independent sua sponte determination of unpatentability, in response to which Wu would have been entitled to file an opposition addressing any aspect of the obviousness question as well as to file an appropriate motion under 37 CFR 1.633(c), (d) or (h). We therefore conclude that the EIC erred in not considering Wu's opposition and the accompanying Tobias and Shaffer affidavits in their entirety.

Accordingly, the panel also held that "dismissal [of the new 37 CFR § 1.633(c)(4) motions] was improper because Wu has the right to file new 37 CFR § 1.633(c) motions in response to the *sua sponte* determination of obviousness."[61] However, the panel rejected Wu's contention that the APJ was precluded by 35 U.S.C. § 291 from adding the Wu patent to the interference and upheld the APJ's refusal to add proposed new claim 13 (identical to Count 2) to the 1975 application.

On remand from the reconsideration panel, the APJ, in Paper No. 131 (untitled),[62] considered the Tobias and Shaffer affidavits in their entirety but considered them unpersuasive. The APJ also indicated that inasmuch as Burns and Sholes are cumulative to Grimaldi, they were no longer being relied on as evidence of obviousness, with the result that the case for obviousness was to be considered based on Johnson in view of Moore, Wu ROC, and Grimaldi.[63] Wu's new 37 CFR § 1.633(c)(4) motions were considered but dismissed on the ground that they did not explain why the claims sought to be designated as not corresponding to the count, i.e., claims 10 and 11 of the '411 application and claims 1-3 of the Wu patent, were patentably distinct from the claims whose correspondence to the count Wu does not dispute, as required by 37 CFR § 1.637(c)(4)(ii). Instead, the motions attempted to distinguish claims 10 and 11 of the '411 application and claims 1-3 of the Wu patent from the prior art, i.e., Johnson, Moore, Wu ROC, and Grimaldi. Nevertheless, the APJ indicated[64] that he had considered those arguments in determining whether Wu had shown these claims to be patentable over the prior art, noting that *In re Van Geuns*, 988 F.2d 1181, 1186, 26 USPQ2d 1057, 1060 (Fed. Cir. 1993), had effectively limited the "stand or fall together" rule of *Brooks v. Street* to the situation where the count is anticipated by the prior art, with the result that a party may separately argue the patentability of the claims that correspond substantially[65] to the count where the subject matter of the count is unpatentable for obviousness. The APJ characterized this as a "rebuttable presumption" that the~subject matter of the claims which correspond substantially to the count would have been obvious over prior art that would have rendered obvious the subject matter of the count.[66] The APJ held[67] that Wu failed to rebut this presumption as to the claims whose patentability over the prior art he did not separately argue, which the APJ identified as claim 12 of the '975 application, claims 9 and 10 of the '411 application, and claim 4 of the Wu patent. The inclusion of claim 10 in this group was erroneous, as Wu had in fact separately argued that claim in his 37 CPR § 1.633(c)(4) motion. The APJ also held[68] that while Wu had separately argued claim 11 of the '411 application and claims 1-3 of the Wu patent, he failed to rebut the presumption as to these claims because he did not demonstrate that the subject matter of those claims is patentable over the prior art applied to Count 2 considered with another relevant reference of record, namely, Fang Taiwan Patent No. 75,203,861, issued April 16, 1987, and cited in Wu's Supplemental Information Disclosure Statement in the '411 application.[69] This paper concluded with the show cause order that is the basis for this final hearing, namely, an order for Wu to show cause why judgment should not be entered (a) against all of his claims that correspond to the count on the ground of unpatentability for obviousness over Johnson, Moore, Wu ROC, and Grimaldi, and (b) against claim 12 of the '975 application on the ground it lacks written description support.[70] The APJ stated that although the show cause order was not, strictly speaking, based on 37 CFR § 1.640(d)(1), which at that time made no reference to *sua sponte* determinations, it should be treated as such for purposes of determining whether and how to respond.

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[58] In accordance with Board practice, the APJ handling the interference was a member of this and subsequent reconsideration panels.

[59] Paper No. 120, mailed June 30, 1993, at 8.

[60] Effective October 15, 1993, Examiners-in-Chief were authorized to use the title "Administrative Patent Judge." See Commissioner's Notice of October 15, 1993, "New Title for Examiners-in-Chief," 1156 Off. Gaz. Pat. Office 332 (Nov. 9, 1993).

[61] Paper No. 120 at 9.

[62] Mailed November 17, 1993.

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[63] Paper No. 131 at 8.

[64] Id. at 4, 7.

[65] A claim is said to correspond exactly to the count if it is identical to the count. 37 CFR § 1.601(f). Claims which are directed to the same patentable invention as the count but are not identical thereto are said to correspond substantially to the count. *Id.*

[66] Paper No. 131 at 7-8.

[67] Id. at 16.

Wu responded by requesting this final hearing[71] and a testimony period[72] in which to identify any previously filed evidence he wished to have considered at final hearing[73] and to take direct testimony of a number of new witnesses. Wang[74] requested permission to be heard at final hearing on the issues raised by Wu, requested a testimony period in which to identify any previously filed evidence he wished to have considered at final hearing, and opposed Wu's request to take new direct testimony. Wu also filed a request[75] for consideration of his previously filed motion for summary judgment against Wang for failing. to respond to the first show cause order to the extent it concerned the unpatentability of Wang's claim over the Wu patent.

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[68] Id. at 16-18.

[69] Application paper No. 8.

[70] Paper No. 131 at 18-19.

[71] Paper No. 133, filed December 1, 1993.

[72] Paper No. 132, filed December 1, 1993.

[73] 37 CFR § 1.671(e) provides that a party may not rely at final hearing on an affidavit (including any exhibits), patent or printed publication previously submitted by the party under § 1.639(b), i.e., in connection with a previously submitted motion, opposition, or reply, unless a written notice is filed prior to the close of the party's relevant testimony period stating that the party intends to rely on the affidavit, patent, or printed publication.

[74] Paper No. 134, filed December 211 1993.

The APJ[76] granted Wu's request for final hearing, Wang's request to be heard at final hearing, and both parties requests. for testimony periods, but denied Wu's request to take some of the new testimony on the grounds of unexcused belatedness and "judicial estoppel." The APJ also indicated that he was deferring to final hearing a decision on Wu's renewed motion for summary judgment.[77] The APJ's decisions on the foregoing matters were affirmed on reconsideration by a three-member panel,[78] after which the APJ issued a schedule for taking testimony and filing briefs and records.[79]

Prior to the start of Wang's testimony period, Wu filed a request[80] to take testimony of Amcor Industries ("Amcor") employees regarding sales of Wang's steering wheel lock, which is sold in this country by Amcor under the tradename GORILLA GRIP®. and is sold overseas under the name "Sportsman" (Winner ¶ 11, WuR 9). Wu also filed a motion[81] under 37 CFR § 1.635 to require Wang to respond to written interrogatories, requests for admissions, and requests for production of documents relating for the most part to sales of the GORILLA GRIP®, arguing that this information was needed because the sales of this device, which includes the claimed automatic locking feature, are relevant to Wu's commercial success argument. The APJ[82] denied both motions on ground of unexcused belatedness, holding that they should have made either in response to the his *sua sponte* determination of obviousness or as part of Wu's earlier motion for a testimony period, filed eleven months earlier.

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[75] Paper No. 136, filed January 31, 1994.

[76] Paper No. 140, mailed March 16, 1994.

[77] Id.

[78] Paper No. 154, mailed October 6, 1994.

[79] Paper No. 155, mailed October 6, 1994.

[80] Paper No. 156, filed November 9, 1994.

[81] Paper No. 159, filed October 29, 1994.

Both parties filed records. Wang's testimony consists of the previously filed Surko affidavit and Surko's cross-examination testimony on oral deposition. Wu's testimony consists of the previously filed Tobias and Shaffer affidavits, a new Tobias affidavit, an affidavit by Minel J. Braun that was previously filed in support of a motion[83] not before us at final hearing, previously filed and new affidavits by attorney Frank J. Nawalnic describing the ex parte proceedings involving the involved Wu cases, and new affidavits by James E. Winner (President of Winner International), John F. Hornbostel, Jr., William. J. O'Connor, and Robert A. Marotto. Wang elected not to cross-examine any of Wu's witnesses.

Wu's brief was accompanied by a motion under 37 CFR § 1.656(h) to suppress part or all of Surko's affidavit and deposition testimony on various grounds.

Both parties appeared through counsel at the November 17, 1995, final hearing.

IV. Wu's new submissions regarding the unverified translations

During the hearing, Wu's counsel was asked whether Wu's argument that the rod described in the verified translation of Wu ROC, on which the APJ relied, includes only one groove capable of ratcheting operation is consistent with the unverified translation of Wu ROC submitted with Wu's Supplemental Information Disclosure Statement in the '411 application. Wu's counsel was also asked whether the unverified translation of the Wu ROC Patent of Addition submitted with the same Information Disclosure Statement might shed some light on this question. Wu was given two weeks in which to file a paper explaining whether he considers these translations to be consistent with the foregoing argument in his brief and to file retyped copies of both translations because the file copies have portions that are illegible. Wang was also given time in which to respond to Wuls explanation. Both Wu[84] and Wang[85] filed responses within the specified times.

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[82] Paper No. 165, mailed December 14, 1994.

[83] A Wu motion under 37 CFR S 1.633(a) alleging that Wang's claim is unpatentable under the best mode and enablement requirements of 35 U.S.C. g 112, first paragraph (paper No. 20).

My comparison of unverified and verified translations of Wu ROC[86] reveals that they do not differ in any respect material to the issues raised at this final hearing. As a result, my evaluation of the teachings of Wu ROC is based on the verified translation submitted by Wang.

Regarding the translation of the Wu ROC Patent of Addition,[87] Wu argues there is no point in discussing the locking device disclosed therein because it is not part of the record in this interference and cannot be properly relied on to interpret Wu ROC, since the Patent of Addition was not applied for until over two and one-half years after the Wu ROC application was filed. I agree that it would be improper to rely on the Patent of Addition to interpret the Wu ROC application and therefore will give it no further consideration.

V. Wu's explanatory comments about his brief

In addition to addressing the inquiries about the unverified translations of the Wu ROC Patent and Wu ROC Patent of Addition, Wu's post-hearing response includes a lengthy commentary in response to two questions asked of Wu's counsel by Judge Sofocleous during the hearing. The first question was whether the Wu patent should be involved in this interference. The second was to identify where Wu's brief compares the limitations of each of Wu's involved claims to the prior art relied on by the APJ. Wang urges us to disregard Wu's comments on the ground they were not authorized and requests permission to respond to the comments in the event we decide to consider them. Since this paper was not requested-or authorized at the final hearing and was not accompanied by a 37 CFR § 1.635 motion to supplement Wu's brief, it will not be considered.

VI. Wu's citation of supplemental authority

On May 30, 1996, Wu submitted a paper entitled "The Party Wu's Citation of Supplemental Authority," which cites the recent decision in *In re Recreative Technologies Corp.*, 83 F.3d 1394, 38 USPQ2d 1776 (Fed. Cir. 1996), and argues that "[w]hile it deals with reexaminations rather than interferences . . . . it is relevant to the APJ's having subjected the party Wu's '047 patent to complete reexaminations in the interference." However, no detailed discussion of the decision or its relevance to the issues before us is provided. .This paper and the cited decision therefore will not be considered.

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[84] Papers Nos. 210, 212 and 213.

[85] Papers Nos. 214 and 215.

[86] Paper No. 212.

[87] Paper No. 210.

VII. Unpatentability of Wang Patent claim 1

Inasmuch as Wang does not dispute that judgment should be entered against his patent claim 1 on the ground of unpatentability over the involved Wu patent, judgment will be entered against that claim on that ground.

VIII. Whether Wang's opening brief should be considered

Wu argues (Brief at 51-52) that Wang's opening brief should be disregarded because whereas 37 CFR § 1.656(b)(6) requires a junior party's opening brief to be directed to issues that *it* is raising for consideration at final hearing, Wang's brief is directed solely to the obviousness determination made *sua sponte* by the APJ, with the result that Wang is improperly acting as the lawyer for the APJ. Wu contends that under these circumstances, Wang's participation at final hearing is limited to filing a reply brief in response to Wu's opening brief. The "issues it is raising" language on which Wu relies went into effect on April 21, 1995,[88] two months before Wang's opening brief was filed. Prior to the amendment of rule 1.656, the provision in question appeared in paragraph (b)(4) and did not limit the junior party's opening brief to the matters it was raising at final hearing.[89] Although the general rule is that the amended rules apply to interferences pending on April 21, 1995, the question of whether 4 particular amended rule applies in a pending interference is a matter within the discretion of the APJ or the Hoard. 1995 Final Rule Notice, 60 Fed. Reg. at 14,488, 1173 Off. Gaz. Pat. & Trademark Office at 36. Because Wang was scheduled to file the first opening brief[90] even though he had been advised he would not be allowed to challenge the decision holding his claim unpatentable over the Wu patent[91] and had not requested review of that or any other adverse decision, it is clear that the unamended rule was to apply to Wang's opening brief and that Wang was therefore justified in addressing the APJ's sua sponte determinations of unpatentability of Wu's claims. Even assuming Wang's brief should be governed by the amended rule, it is not understood how Wu has been prejudiced by the fact that Wang filed an opening brief.

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[88] 37 CFR § 1.656 describes the required parts of the junior party's opening brief. Section 1.656(b)(6) as amended requires "[a]n argument, which may be preceded by a summary, which shall contain the contentions of the party with respect to the, issues it is raising for consideration at final hearing, and the reasons therefor, with citations to the cases, statutes, other authorities, and parts of the record relied on." (Emphasis added.)

[89] That provision read as follows: "An argument, which may be preceded by a summary, which shall contain the contentions of the party with respect to the .issues to be decided, and the reasons therefor, with citations to the cases, statutes, other authorities, and parts of the record relied on." (Emphasis added.)

IX. Jurisdiction over the Wu patent

Wu argues (Brief at 123) that the APJ abused his discretion by adding the Wu patent to the interference, because the question of whether the Wu patent interferes with the Wang patent is exclusively within the jurisdiction of the district courts pursuant to 35 U.S.C. § 291. The sole decisional authority Wu cites as support is *Home of Champions S.A. v. Althone Industries, Inc.*, 14 USPQ2d 1566 (D.N.J. 1990) (unpublished), which makes no reference whatsoever to 35 U.S.C. § 291; the only Title 35 provisions discussed therein are §§ 102(g) and 256. In any event, while it is clear that § 291 gives district courts exclusive jurisdiction over interference disputes involving only patents, Wu has not cited any authority that construes § 291 as precluding the PTO from conducting an interference between a patent and application of a first party and patent of a second party, provided of course the application and both patents include claims to the same patentable invention. In fact, this argument was specifically rejected in *Itakura v. Caruthers*, 19 USPQ2d 1870, 1871 (Bd. Pat. App. & Int. 1991) on the ground that the presence of an interfering application gives the PTO jurisdiction over the interfering patents under 35 U.S.C. § 135(a).

Wu additionally contends that the PTO lacks the authority under 37 CFR § 1.601(1) to declare an interference between Wu the applicant and Wu the patentee. This argument misapprehends the nature of the interference, which is between Wu and Wang, not between each pair of their four involved cases. That a single party may be involved on both an application and a patent should be apparent from 37 CFR § 1.633(h), which allows a party-patentee to move to add its reissue application to an interference, *See also Theeuwes v. Bogentoft*, 2 USPQ2d 1378, 1379 (Comm'r Pats. 1986) (construing 37 CFR § 1.642 as allowing addition of a party-patentee's non-reissue application to an interference).

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[90] Paper No. 155, mailed October 6, 1994, at 5.

[91] Paper No. 95 at 5-6; Paper No. 131. at 5.

X. Are the claims of the Wu patent presumed to be valid under 35 U.S.C. § 282?

Wu contends he was denied procedural due process in several ways, one being that the claims of his patent were not accorded the presumption of validity required by 35 U.S.C. § 282, which can be overcome only by clear and convincing evidence (Brief at 53-54). In making this argument, Wu acknowledges that *Lamont v. Berguer*, 7 USPQ2d 1580, 1582 (Bd. Pat. App. & Int. 1988) (expanded-panel), held that "the presumption of patent validity under 35 USC 282 which must be overcome by a party charging invalidity is not applicable in interferences." However, Wu contends *Lamont* is not controlling because it was effectively overruled by (1) *Van Geuns's* holding that a party may separately argue the patentability of individual claims where the count is not anticipated by the prior art, and (2) the April 21, 1995, amendment of 37 CFR § 1.633(a) to require the movant to separately argue the patentability of every individual claim it is challenging. This argument is unpersuasive because neither *Van Geuns* nor 37 CFR § 1.633(a) as amended addresses the question of how patent claims are to be construed.

Wu also attempts to distinguish *Lamont* on the ground that it "dealt with the interpretation to be given to the language of *a count*, and therefore it is not directly pertinent to the issues raised to the APJ in the present interference," i.e., the patentability of the claims (Brief at 54) (Wu's emphasis). It is true that in *Lamont*, wherein the EIC held the subject matter of the count unpatentable for obviousness over prior art and treated Berguer's involved claims as falling therewith, the EIC considered only whether the 35 U.S.C. § 282 presumption of validity applies to the count. However, the question of whether the presumption of validity under § 282 applies to clams involved in an interference was considered and answered in the negative in *Okada v. Hitotsumachi*, 16 USPQ2d 1789, 1790 (Comm'r Pats. 1990), wherein the Commissioner rejected Okada's argument that his involved patent claims should be construed in accordance with § 282 in determining whether they should be designated as not corresponding to the count.

XI. Wu's motion for summary judgment

Wu's initial motion[92] for summary judgment and subsequent "request"[93] for consideration of that motion seek entry of judgment against Wang for failing to respond to the May 29, 1992, order for him to show cause why judgment should not be entered against his claim for unpatentability over the Wu patent and termination of the interference without further consideration of the patentability of Wu's claims. Wu argues (Brief at 124) that he was denied procedural due process when the APJ initially failed to consider this motion and again when he deferred it to final hearing. The fact that the Commissioner has indicated he will consider the advisability of amending the rules to allow summary judgment motions in a future rulemaking effort demonstrates that the current rules do not authorize motions of this type. 1995 Final Rule Notice, 60 Fed. Reg. at 14,509; 1173 Off. Gaz. Pat. & Trademark Office at 54. As a result, the motion is not entitled to consideration on the merits and is dismissed. It is noted that for this reason the motion could have been returned pursuant to 37 CFR § 1.618 as an unauthorized paper.

Even if motions for summary judgment were authorized by the current rules, Wu's motion would be dismissed on the ground that its merits are not addressed in his brief, as required by 37 CFR §§ 1.656(b)(4) and 1.656(c) (1994), which required that the senior party's opening brief, like the junior party's opening brief, include an argument "contain[ing] the contentions of the party with respect to the issues to be decided, and the reasons therefor, with citations to the cases, statutes, other authorities, and parts of the record relied on." In addition, 37 CFR § 1.640(b) provides in pertinent part that "[a] matter raised by a party in support of or in opposition to a motion that is deferred to final hearing will not be entitled to consideration at final hearing unless the matter is raised in the party's brief at final hearing." The fact that Wu's brief identifies the summary judgment motion as an issue to be considered is not sufficient to satisfy this requirement, because the arguments in a deferred motion cannot be incorporated by reference into the brief. See 1995 Final Rule Notice, 60 Fed. Reg. at 14,516:.1173 Off. Gaz. Pat. Office at 55.

XII. Wu's other procedural due process arguments

As additional grounds for the alleged denial of procedural due process, Wu argues (Brief at 124) that his patent claims were considered "without the protection of the reexamination procedure" and that he was deprived of the "rights to provide full evidence rebutting[] the *sua sponte* ruling of the APJ that claims to the Wu invention are unpatentable under 35 USC 103." However, Wu does not elaborate on either of these arguments by citing any supporting facts or authority. Consequently, he has failed to show a denial of due process on either ground. In any case, it should be apparent from the "Background" facts given above that Wu has had ample opportunity to present evidence of nonobviousness in response to the *sua sponte* obviousness determination and in fact filed a number of affidavits in response thereto.

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[92] Paper No. 64.

[93] Paper No. 136.

XIII. The written description support issue

In contrast to the obviousness question, which was initially raised by Wang's 37 CFR § 1.633(a) motion, the determination that claim 12 of the Wu '975 application lacks written description support was made entirely *sue sponte*. Wang's brief does not address this issue.

The basis for this *sue sponte* determination is that the "consisting of" terminology in claim 12 must be construed as a closed term .even though the claim recites a mechanical rather than a chemical invention.[94] In support of the "closed" interpretation, the following authorities were cited:[95] *Ex parte Hoffman*, 12 USPQ2d 1061, 1063-64 (Bd. Pat. App. & Int. 1989) ("consisting essentially of" construed as closed term when describing irradiating and splitting steps in a method of producing a completely hardened metal structure element); *In re Certain Slide Fastener Stringers and Machines and Components Thereof for Producing Such Slide Fastener Stringers*, 216 USPQ 907, 915 (U.S. Int'l Trade Comm'r 1981) ("consisting of . . . a longitudinally extending cord" will not cover stringers with more than one cord): and 2 D. Chisum, *Patents* § 8.06[1][b] (1992). Wu has not addressed any of these citations. Instead, he argues (Brief at

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[94] This possible interpretation of "consisting of" is the reason Wu gave in support of his 37 CFR § 1.633(c)(1) motion to change "grooves each of which consist[s] of" language in Count 1 to the "comprises" language of Count 2. However, because that motion was denied (on other grounds), Wu is not precluded from arguing the opposite interpretation at this time. *See Water Technologies Corp. v. Calco, Ltd.*, 850 F.2d 660, 665, 7 USPQ2d 1097, 1101 (Fed. Cir.) (no judicial estoppel where prior inconsistent argument was not accepted), *cert. denied,* 488 U.S. 968 (1988).

[95] Paper No. 95 at 14-15.

118-19) that "consisting of" terminology has its basic impact in chemical cases, citing MPEP 706.03(n), and relies on testimony by Braun (¶ 17, WuR 6-7), Tobias (¶ 18, WuR 48-49) and Marotto (¶ 19, WuR 80) which allegedly establishes that one skilled in the art would have construed "consisting of" in Wu's claim 12 as an open-ended term, like "comprising" or "including." However, this testimony is entitled to no weight because claim construction is a question of law and expert testimony regarding claim construction is limited to explaining scientific principles, the meaning of technical terms, and terms of art. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 980, 34 USPQ2d 1321, 1330 (Fed. Cir. 1995) (*in banc*), *aff'd* 116 S. Ct. 1384 (1996). The meaning of the term "consisting of" does not fall into any of these categories.

Wu also argues (Brief at 120) that the "closed" interpretation is contrary to *In re Spina*, 975 F.2d 854, 858, 24 USPQ2d 1142, 1145 (Fed. Cir. 1992), which Wu characterizes as holding that the Board improperly construed an application claim so as to add a feature disclosed the patentee's specification in order to find a lack of support in the applicant's disclosure. According to Wu, the APJ did the same in this case by construing "consisting of" to mean exactly what Wang discloses, which is a groove having only a vertical side wall and a convex or slope side wall. Wu's reliance on *Spina* is misplaced, because it did not concern the meaning of "consisting of." Instead, it concerned the meaning of a "connecting means" clause.

Wu also argues (Brief at 120) that even assuming "consisting of" in claim 12 of the '975 application is properly construed as a closed term, the claim finds support in originally filed claim 3 of the '105 application, which matured into the Wu patent and which Wu asserts is "clearly part of the written description under 35 USC 112." Since the originally filed disclosure of '105 application is not part of the originally filed disclosure of the '975 application, this argument is being treated as though it were directed to claim 3 of the '975 application as originally filed, which is identical to claim 3 of the '105 application as originally filed. Although claim 3 recites ratchet teeth having conical bearing surfaces and annular stop surfaces, it does not imply that the grooves include only these two surfaces. As a result, it does not provide written description support for claim 12.

Wu next argues (Brief at 121) that claim 9 of the '411 application, which employs the same "consisting of" limitation as claim 12 of the '975 application, was found allowable by several examiners, who therefore must have concluded that the "consisting of" limitation has adequate written description support. To the extent his argument is based on claim 9 of the '411 application, it is unpersuasive because the "consisting of" language in that claim was changed[96] to "includes" prior to the first indication that claim 9 was allowable.[97] To the extent Wu is relying on the fact that the examiner apparently concluded that claim 12 of '975 application has adequate support, the argument is unconvincing because an examiner's *ex parte* determination that support exists is not binding on the APJ or the Board in an interference proceeding. *Martin v. Mayer*, 823 F.2d 500, 503, 3 USP02d 1333, 1335 (Fed. Cir. 1987) ("An examiner's decision to allow the copied claim to Mayer for interference purposes does not satisfy Mayer's threshold burden in the interference proceeding of presenting a prima facie case of compliance with section 112 paragraph 1"). *Compare Sze v. Bloch*, 458 F.2d 137, 141, 173 USPQ 498, 501 (CCPA 1972) (Board of Patent Interferences not bound by *ex parte* determination of Board of Patent Appeals[98] that a claim has written description support).

For the foregoing reasons, claim 12 of Wu's '975 application lacks the written description support required by 35 U.S.C. § 112, first paragraph.

XIV. The designation of claims of the '411 application and the Wu patent as corresponding to the count

At the same time Wang's request under 37 CFR § 1.642 to add the '411 application and the Wu patent to the interference was granted, Wang's motion under 37 CFR § 1.633(c)(3) to designate claims 9-11 of the application and claims 1-4 of the patent as corresponding to the count was granted "for the reasons given in the motion and reply."[99] Wu responded with motions under 37 CFR § 1.633(c)(4) to have application claims 10 and 11 and patent claims 1-3 designated as not corresponding to the count, which motions were denied. Wu presumably seeks review of all of the foregoing decisions. However, the brief fails to explain why the claims in question do not recite the same patentable invention as the claims whose correspondence to the count is not in dispute. 37 CFR §§ 1.637(c)(3)(ii) and (c)(4)(ii).[100] Instead, Wu (Brief at 109) explains why he believes the claims in question are separately patentable over Johnson, Moore, Wu ROC, and Grimaldi, which is a different issue. As explained in *Van Geuns*, 988 F.2d at 1186, 26 USPQ2d at 1060, "the claims designated as corresponding to the count are not necessarily the same invention as the prior art (i.e., anticipated or made obvious by that art) even though they are conceded to be the same invention as the count." Inasmuch as Wu has not performed the claim-to-claim comparison required by 37 CFR §§ 1.637(c)(3)(ii) and (c)(4)(ii), the decisions granting Wang's 37 CFR § 1.633(c)(3) motion and denying Wu's 37 CFR § 1.633(c)(4) motion will stand.

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[96] Application paper No. 7, filed December 10, 1990.

[97] Application paper No. 14, mailed May 23, 1991.

[98] The two boards were merged effective November 8, 1984, to form the current Board of Patent Appeals and Interferences. Public Law 98-622, § 201(a).

[99] Paper No. 70 at 6.

XV. The refusal to add claim 13 to the '975 application

Although Wu identifies (Brief at 9, 12) the refusal to add proposed new claim 13, which is identical to count 2, to the '975 application as an issue to be considered, the argument portion of the brief does not address this issue, let alone demonstrate that the decision refusing to add claim 13 was an abuse of discretion. As a result, that decision will stand.

XVI. Wu's motion to suppress Surko's testimony

The sua sponte determination of obviousness is based in large part on the Surko affidavit, which Wang filed in response to the Tobias and Shaffer affidavits. Wu has moved to suppress Surko's affidavit and deposition testimony in whole or in part on several grounds. The first ground, which is directed against the entire affidavit and deposition testimony and was raised during cross-examination of Surko (WaR 43), is that the affidavit does not indicate Surko swore to the truthfulness of the statements therein. Instead, the notary's statement simply states that Surko appeared before her and acknowledged that the instrument was "his free act and deed." As support for suppressing the affidavit, Wu cites *Ex parte Tauern*, 1922 Comm'r Dec. 34 (Comm'r Pats. 1922), which held an oath defective where a German notary simply certified the signature of the applicant and there was no evidence that the statements in the oath were sworn to. Wang correctly argues that the present case is distinguishable from *Tauern* in that Surko testified on redirect that the statements in his affidavit are true (WaR 281-82). Accordingly, Surko's affidavit and deposition testimony will not be suppressed on that ground.

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[100] Paper No. 70 at 7.

Wu also specifically seeks to suppress the opinion testimony in paragraphs 12 and 13 of Surko's affidavit, wherein Surko testified that Wu's witness Tobias lacks the technical training or experience required to support his opinion (1 23, WuR 29-30) that one skilled in the art would have been unable to determine how locking is accomplished in the Wu ROC device. Wu argues that because Surko "has no legal training" and "is a person who has merely ordinary skill in the art to which the subject matter of this interference is directed," he was testifying as a lay witness pursuant to Rule 710 of the Federal Rules of Evidence rather than as an expert witness pursuant to FRE 702. Thus, Wu argues, Surko's admissible testimony is limited by FRE 701 to "those opinions which are (a) rationally based on the perception of the witness and (b) helpful to a clear understanding of the witness' testimony or the determination of a fact in issue," which do not include Surko's opinion about Tobias' qualifications. This argument is unpersuasive because it incorrectly presumes that a person having ordinary skill in the relevant art cannot testify as an expert witness, a proposition for which Wu has cited no authority. Even if, as WU contends, Surko was never expressly offered or qualified by Wang as an "expert," it is readily apparent from his testimony about his education and experience in lock design (¶¶ 1-5, WaR 10-12) and his opinion testimony about the teachings of the prior art references, the knowledge of persons skilled in the art, and the obviousness of combining those teachings that he was being offered as an expert witness.

Finally, Wu argues that even assuming Surko is qualified to testify as an expert under FRE 702, his testimony should be suppressed on the ground it will not assist the Board in understanding the evidence or in determining a fact in issue, as required by FRE 702, citing *Glaser v. Strickland*, 220 USPQ 446, 450 (Bd. Pat. Int. 1983) (opinion testimony that is not helpful is not admissible). Specifically, Wu asserts the testimony is not helpful because it does not explain that any term in the claims or disclosures of the parties or in the references has any particular meaning in the art. However, Wu has not cited any authority for restricting expert testimony on the question of obviousness to these areas.

For the foregoing reasons, the motion to suppress Surko's affidavit and deposition testimony in whole or in part is denied.

XVII. The obviousness issue

Although the combined teachings of Johnson, Moore, Wu ROC, and Grimaldi were initially applied to claim 12 of Wu's '975 application and claim 1 of Wang's patent,[101] they were later applied instead to the subject matter of Count 2 when the interference was redeclared to add the '411 application and the Wu patent.[102] However, applying the prior art to the subject matter of the count was criticized in *Van Geuns*, which held that the prior art instead should be applied to a claim, because patentability relates to claims and counts are merely vehicles for contesting priority. 988 F.2d at 1184, 26 USPQ2d at 1059. Nonetheless, because Van Geuns's claim 42 corresponded exactly to the count, the court proceeded as though the EIC had applied the prior art to that claim. Id. In the present case, there is no involved claim that is verbatim identical to Count 2, as Wu's motion to add a new claim 13 identical to that count was denied.[103] However, claim 9 of the '411 application, while not a verbatim copy of Count 2, is identical in scope thereto, differing therefrom only by using the phrase "grooves each of which includes" instead of "grooves each comprising" and by concluding with the clause, "whereby said rod can be withdrawn from said housing into a locked position with said tenon in a locking position," which when added to the claim was described as "a minor change[] clarifying the claim language."[104] Accordingly, the *sua sponte* obviousness determination will be treated as though it had been applied to claim 9. The remaining Wu claims are discussed separately, *infra*, following an explanation of the *prima facie* obviousness of the subject matter of claim 9.

As Wu correctly notes, a determination of obviousness must take into account a number of underlying factual inquires, including the scope and content of the prior art, the differences between the prior art and the claims at issue, and the level of ordinary skill as well as secondary considerations tending to show unobviousness, such as commercial success, long felt but unsolved needs, failure of others, etc. *Graham v. John Deere Co.*, 383 U.S. 1, 17, 148 USPQ 459, 467 (1966). Those factors are addressed below.

XVIII. The level of skill in the relevant art

Obviousness must be determined from the standpoint of a

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[101] Paper No. 50 at 9.

[102] Paper No. 131 at 16.

[103] Paper No. 95 at 12.

[104] Application paper No. 7.

(hypothetical) person having ordinary skill in the art to which the invention at issue pertains. 35 U.S.C. § 103. Prior to determining the level of ordinary skill, it is necessary to ascertain the relevant art area. The relevant art was held to be the design of locking devices in general.[105] Although Wu's brief (at 132) takes issue with this finding, his own position is not clear. At page 84, he takes the more restrictive view that the person of ordinary skill is "an experienced person in the mechanical field who designs mechanical locks for mounting on the steering wheel of a vehicle" (Brief at 84). However, at page 4 of his 37 CFR § 1.656(h) motion to suppress Surko's testimony, Wu contends that Surko, who has no experience in designing steering wheels locks, "is a person who has merely ordinary skill in the art to which the subject matter of this interference is directed." In any event, Wu has failed to show that it was an abuse of discretion to hold that the relevant art area is the art of lock design in general.

Turning now to the level of ordinary skill in the lock design art, Surko, whom Wu asserts has "merely ordinary skill," has a Bachelor of Science in Mechanical Engineering (1969). From 1977-84, he vas Vice President at Emhart Corporation in charge of product research and development engineering of hardware products, including locking mechanisms that pertain to locks used on cabinet doors and drawers and padlocks, as well as a variety of architectural hardware items including door locks, such as mortise locks, cylindrical locks, exit devices, and auxiliary locks. From 1984 to the present, he has served as a consultant for Yale Security, Inc., the well-known lock manufacturer, where he worked on a number of new development projects, including a high-security cylinder which operates various locking devices, which is the subject of U.S. Patent 4,638,651 (WaX 2), and a door lock with lever handles, which is the subject of U.S. patent 4,920,773 (WaX 3). He has also done consulting work for Accurate Lock & Hardware, Lori Lock, Corbin-Russwin, and other companies regarding locking mechanisms. WX 6 to WX 15 are other locking device patents in which he is named as the inventor or as a coinventor.

Surko clearly has at least ordinary skill in the relevant art and thus has sufficient "scientific, technical, or other specialized knowledge" to assist in understanding the evidence and determining a fact in issue, as is required to qualify him as an expert witness under FRE 702.

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[105] Paper No. 131 at 8.

Wu's witness Marotto likewise has at least ordinary skill in the art of lock design and is thus qualified to testify as an expert witness. He worked in research and development at Schlage Lock Company (San Francisco) from 1947 to 1962, was Assistant Manager of the product design development department from 1962 to 1972, Vice-President of Engineering at Dexter Lock Co (Grand Rapids) from 1972 to 1985, and continued in that position from 1985, when Dexter was purchased by Master Lock, until he retired in 1991. He is the sole inventor in U.S. Patent 4,804,216, "Convertible Basket Latch Mechanism" (WuX 37), and a coinventor in U.S. Patent 3,254,516, "Padlock" (WuX 36).

The education and experience of Wu's witness Tobias are primarily in law enforcement rather than lock design. He received a degree in law enforcement in 1970 and a Juris Doctor degree in 1973, has extensive experience in analyzing security devices, including locks, and is the author of a textbook entitled "LOCKS, SAFES, AND SECURITY: A Handbook for Law Enforcement Personnel" (1971), which is designed to assist law enforcement personnel in burglary investigation, lock analyses in crime laboratories, crime prevention, and intelligence operations (¶ 1, WuR 17). He has met with manufacturers of locks and locking mechanisms throughout the world for technical briefings on their products and to consult regarding potential bypass of some products and routinely attends trade shows concerning security, locks, and automotive security. Moreover, in connection with a research for an upcoming revision of the above mentioned book, he has become familiar with, and evaluated, many of the automobile locking devices produced in the United States and elsewhere. Tobias is named as the sole inventor in U.S. Patent.5,355,701, entitled "Method and Apparatus for Decoding a Pin Tumbler Lock" (WuX 13A), and U.S. Patent 5,277,024, entitled "Automobile Steering Wheel Anti-Theft Device" (WuX 14A), which is an improvement of the lock disclosed and claimed in the Wu patent. Although Tobias lacks Surko's and Marotto's experience in lock design, he nevertheless has sufficient "scientific, technical, or other specialized knowledge" to qualify as an expert witness under FRE 702.

The same is true of Wu's witness Braun, who holds a Doctorate in Mechanical Engineering from Carnegie Institute of Technology (¶ 1, WuR 1) and has authored more than eighty articles in the field, won scientific awards, and patented several inventions.

Of course, the weight to be accorded the opinion testimony of a witness on a particular point obviously depends on the witness's relevant experience and/or education and the extent to which the witness provides factual support and/or reasoning in support of the testimony. *Ashland Oil, Inc. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281, 294, 227 USPQ 657, 665 (Fed. Cir. 1985), *cert. denied*, 475 U.S. 1017 (1986).

XIX. Scope and Content of the prior art

Wu does not assert that any of the references relied on is non-analogous art.

A. Moore

The Moore patent, which is discussed in Johnson (col. 1, lines 14-68), discloses a Y-shaped steering wheel lock which employs a ratcheting mechanism that allows it to be installed on a steering wheel without the use of a key and thus requires a key only for its removal. Two legs (14a, 14b) of the Y have immovable hook-shaped clamps 16 for engaging the rim of the steering wheel; the third leg 28 has teeth 26 formed therein and carries a movable clamp 20 that includes a spring-biased ratchetinq lock mechanism 24 which permits the clamp to be moved into engagement with the steering wheel rim without the need for a key. Each ratchet tooth has a locking surface perpendicular to the axis of the leg and a sloped camming surface.

B. Johnson

The construction and operation of the Johnson dead bolt-type steering wheel lock (THE CLUB®) were briefly discussed *supra*.

Johnson's "Background of the Invention" describes Moore's ratcheting-type locking device as functional but undesirable because it (a) is limited by its construction to steering wheels of specific sizes, (b) is subject to being overcome by physical force because-its locking mechanism is exposed and includes pry points in which a crowbar might be inserted, (c) gives the appearance (justified or not) of vulnerability, and (d) is inconvenient and at times difficult to use in that it is difficult to store in the passenger compartment and awkward and difficult to mount while the driver is seated (col. 1, lines 23-63). The Johnson device accommodates steering wheels of different diameters by using telescoping members, with the inner member having a large number of locking teeth to enable . the members to be locked together in any of a number,of positions (col. 2, lines 52-59). The problems of actual and perceived vulnerability are avoided by enclosing the locking means within a housing that is integral with the body member (col. 2, lines 36-38) so that "no area of the locking mechanism is susceptible to prying by a crow bar or the like" (col. 3, lines 23-27). Finally, the use of telescoping members permits the device to be collapsed for easy storage within the passenger compartment of the vehicle (col. 5, lines 56-60).

It is undisputed that Johnson's dead bolt mechanism is more tamper-resistant and therefore provides greater security than a ratcheting mechanism. As explained by Surko, Johnson's dead bolt mechanism is very difficult to defeat using nondestructive techniques because there are no parts that can be shifted, whereas a spring-loaded ratchet-type lock can be defeated by urging the locking member out of position against the spring by use of a specially shaped shim or by rapping on the unit and urging the bolt back carefully (WaR 281:6-16).

The question of whether one skilled in the art would have considered Johnson to be disadvantageous in that it requires a key for mounting on the steering wheel is addressed *infra* in the discussion of motivation.

C: Wu ROC

The Wu ROC application (Wu ROC) was filed on December 17, 1985, published in the ROC Gazette on December 16, 1986, and was issued as Wu ROC Patent 34,246 on March 16, 1987. Wu ROC's December 16, 1986, publication date is a year after Johnson's effective filing date of November 26, 1985, and two years prior to Wu's December 20, 1988, filing date.

This reference discloses a "versatile locking core" 3 for use in the "locking seat" (i.e., lock housing) 1 of a key operated "automobile lock" that employs a stationary tubular locking rod 12 and movable locking rod 2. Apparently because the invention relates specifically to the locking mechanism within the lock housing, only partial views of the two locking rods are provided, which show only the portions of the rods inside or adjacent to the lock housing. The partial view of movable locking rod 2 in Figure 2 shows three grooves 21 having two different shapes. This rod is described as a long rod having one end bent and folded into a hook shape (Transl. at 4, lines 13-14). The partial view of stationary locking rod 12 shows the bottom end portion on which the lock housing is mounted. The shape of the other end of the stationary rod is not described; nor are the automotive parts that are to be engaged by the lock identified. However, Wu describes this locking device as a foot brake lock (Brief at 89, 93)[106] and Tobias testified (¶ 27, WuR 32) that he has seen a locking device like the Wu ROC device used to lock a steering wheel rim to the foot brake pedal of a vehicle. It is therefore reasonable to assume that the artisan would have understood that the Wu ROC device is to be used in that manner, with the hook on the movable rod being used to engage the brake pedal and the stationary rod having a hook for engaging the steering wheel, with the concave portions of the two hooks facing each other.

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[106] See also paper No. 80 at 6, ¶ 7; paper No. 130 at 3.

The essence of the Wu ROC invention is a lock mechanism that can be constructed to provide either a ratcheting (i.e., "one-way" or "uni-directional") operation or a dead bolt (i.e., "two-way" or "bi-directional") operation by selection of an appropriate locking pin 5 and locking pin control block or "press body" 4 (Transl. at 1, lines 2-9: at 2, lines 2-4: at 5, lines 3-6). Figure 3 shows three different types of locking pin control blocks 4, of which the uppermost "uni-directional" design is used in the embodiment of the locking device depicted in Figures 1 and 2 (Transl. at 6, lines 18-19). The locking pin used in this embodiment has a chamfered end provided with a cutout portion 53 (Transl. at page 5, lines 20-21). Tobias testified (¶ 23, WuR 29) that the drawings are not clear enough to permit him to determine exactly how locking is accomplished in this embodiment. I agree with Surko (¶ 12, WuR 15) that the operation of this "uni-directional" embodiment is clear from the written description and for this reason give little weight to Tobias's testimony about Wu ROC. Specifically, page 6, lines 3-15, unambiguously describe a device which employs a ratcheting mechanism that avoids the need for a key during installation:

> When it is desired to lock the movable locking rod (2), the movable locking rod (2) is inserted upwardly into the hollow portion of the stationary locking rod (12) on the locking seat[.] [T]he purpose of locking can be achieved by having the locking pin (5) engaging an appropriate circumferential groove (21) on the movable locking rod (2) because of the chamfered end on the locking pin (5) and the biasing of the spring (54) on the other side of the locking pin (5). When it is desired to unlock the movable locking rod (2) and remove the same, a key is used to rotate the rotating body (33) clockwise so that the locking pin control block (4) is rotated therewith, causing the rotation of the semi-cylindrical press body (42) on the end of the locking pin control block (4) and the rightward movement of the locking pin (5), thus the chamfered face of the locking pin (5) [is] disengaged from the circumferential groove (21) on the movable locking rod-(2) and therefore the movable locking rod (2) can be removed.

Referring to Figure 2, the cutout portion 53 at the end of the locking pin provides a vertical face shown engaging one of the vertical side walls of the middle groove,21. Paper No. 131 (at 15) states that the only groove of the three illustrated grooves that has a side wall which is "vertical" enough to provide locking engagement with locking pawl used in this embodiment. Although Tobias (¶ 23, WuR 29) opposed this conclusion on the ground that he cannot understand the drawings, Wu's brief does not, as is apparent from Wu's argument, discussed *infra*, that Wu ROC discloses a single ratcheting position.

The next matter to consider is the function of the two concave grooves on either side of the middle, ratcheting groove. Surko testified, persuasively, that this allows the same rod to be used whether the lock housing is constructed with a unidirectional (ratcheting) lock mechanism of the type shown in Figure 2 or with a bidirectional (dead bolt) locking mechanism (Surko, WaR 216:2-9; 278:1-4), which would require that the end of the locking pin be shaped to conform to the concave grooves (WaR 169:16 to 170:15; 180:6-10: 214:18-21). While the middle and bottom drawings in Figure 3 depict "bi-directional" locking pin control blocks (Transl. at 6, lines 18-20), no designs for "bi-directional" locking pins are shown or described.

Insofar as the number of vertical-walled, ratcheting grooves is concerned, Paper No. 131, in stating (at 15) that the artisan would have understood that "only every other groove" has a surface vertical enough to locking engagement with the locking pin, clearly interprets the Wu ROC rod as including a repeating series of vertical-walled ratcheting grooves and concave-walled dead bolt grooves. Surko's affidavit (¶ 12, WaR 16) similarly concludes that "the rod is provided with a plurality of grooves with a vertical side wall (which] will provide for a ratcheting effect upon moving the rod in one direction." When challenged during cross-examination to find express support in Wu ROC for this conclusion, he cited three passages, of which only the last provides clear support. The first passage (cited at WaR 148) is the reference at page 4, lines 14-15 to "[s]everal circumferential grooves (21)," which can be construed as referring collectively to the three grooves shown in the drawing. The second passage (cited at WaR 155) is the reference at page 6, lines 6-7 to "having the locking pin (5) engaging an appropriate circumferential groove (21)," which can be construed as a reference to the middle groove of the three illustrated grooves. The third passage (cited at WaR,162), which does support Surko's interpretation, is Wu ROC claim 1, which specifies that the locking pin has a chamfered face (implying ratcheting) and calls for the movable locking rod to be "provided with the necessary circumferential *groove(s)* for engaging the locking pin" (emphasis added).

Even without claim 1, the artisan would have understood that the three grooves shown in the partial view of the rod in Figure 2 are just a part of an alternating series of ratcheting (vertically walled) and dead bolt (concave walled) grooves. The presence of such an alternating series is implied by the fact that there are two identical concave grooves on either side of the middle groove. Why would the rod have two identical dead bolt locking positions and a single ratcheting locking position? Furthermore, a plurality of ratcheting grooves would obviously be necessary to accommodate different steering wheel-to-brake pedal distances for different automobiles.

For the foregoing reasons, Tobias's testimony (paragraph (¶¶ 12-13, WuR 46) that the artisan would have understood Wu ROC as having a single ratcheting position is unpersuasive.

As for how the Wu ROC device is stored when not in use, Wu interprets the statement "the movable locking rod (2) is inserted upwardly into the hollow portion of the stationary locking rod (12)" (Transl. at 4-5) in the discussion of the installation procedure to mean the device is stored in two pieces prior to being installed, a conclusion with which Surko appears to agree (WaR 163).

Although not explicitly mentioned in the *sua sponte* obviousness determination or in the testimony, it is apparent that Wu ROC's ratchet-type locking mechanism is contained entirely within the lock housing and is thus clearly more secure than Moore's ratcheting mechanism. A prior art reference must be evaluated for all it fairly would have suggested to one skilled in the art. *In re Boe*, 355 F.2d 961, 965, 148 USPQ 507, 510 (CCPA 1966). Furthermore, while Wu ROC does not discuss the relative advantages and disadvantages of the ratchet and dead bolt versions of the steering wheel-foot brake lock, it nevertheless suggests that there is market for both types of locks and that both provide satisfactory levels of security.

D. Grimaldi

Grimaldi, published on December 27, 1985, shows various automobile anti-theft devices for locking a clutch pedal or brake pedal against the floorboard. The ratcheting-type device depicted in Figures 3-6 employs a circular rod 12 which is mounted to the floorboard and has a series of identical circumferential grooves, each of which has an annular "vertical" surface and a sloping (i.e., frusto-conical) surface separated by a cylindrical outer surface. The arm of the clutch or brake pedal is held against the floorboard by a movable, key-operated locking frame 11, which includes a spring-biased locking pin 15 for ratcheting engagement with the grooves on rod 12.

Figures 4 and 8 show a spring-biased locking bolt 15 contained within a "blind bore," which is a bore formed with a single opening that opens into the passage that carries the locking rod and is therefore blocked by the rod when it is in place. Although Surko did not attribute any significance to Grimaldi's blind bore (WaR 234:7-10: 239:16-21), I believe one skilled in the art would have recognized that such an arrangement makes it harder to tamper with the locking pin. *Boe*, 355 F.2d at 965, 148 USPQ at 510.

XX. The differences between claim 9 and Johnson

Wu correctly argues that the locking device recited in claim 9 of the '411 application differs from Johnson in two respects," the principal difference being that the claimed locking device employs ratcheting means (i.e., the claimed spring-biased rod-like bearing means),[107] whereas the Johnson device employs a. dead bolt mechanism that requires a key to extend the rod into locking position. The second difference is that whereas claim 9 calls for each groove to include a "vertical" wall and "a convex or slope" wall, Johnson's grooves have only concave walls.

The differences between the other claims and Johnson are discussed *infra* following the explanation of why the subject matter of claim 9 would have been *prima facie* obvious over the cited references.

XXI. Would the artisan have been motivated to change Johnson's dead bolt mechanism to a ratchet-type mechanism?

Prior to determining whether the teachings of the references can be combined to form a ratchet-type locking device satisfying the requirements of claim 9, it is necessary to determine whether one skilled in the art would have been motivated to combine these teachings to replace Johnson's dead bolt mechanism with a ratcheting mechanism. *In re Laskowski*, 871 F.2d 115, 117, 10 USPQ2d 1397, 1398 (Fed. Cir. 1989). The *sua sponte* obviousness determination began with the conclusion that the artisan (a) would have been aware of the ratchet-type steering wheel locks disclosed in Moore and Wu ROC, (b) would have considered Johnson's dead bolt-type locking device to be disadvantageous compared to the Moore and Wu ROC devices in that it requires a key for installation, and thus (c) would have been motivated to make Johnson easier to use, albeit less secure, by replacing his dead bolt mechanism with a suitable ratcheting mechanism.[108] Wu does not dispute that the artisan would have been aware of Moore and Wu ROC, but argues that these references would not have motivated the artisan to change Johnson's dead bolt mechanism to a ratcheting mechanism.

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[107] The claim recites "a spring member [62] disposed in the transverse passageway [52] and biasing the rod-like bearing means [64] towards the passageway [24] in the tubular member [22] whereby said rod [12] can be withdrawn from said housing [14] with said tenon [70] in a locking position" (bracketed reference characters added).

XXII. Does Johnson teach away from using a ratcheting mechanism?

Wu's first argument against motivation (Brief at 103-104) is that Johnson actually teaches away from using a ratchet-type operation, because it describes Moore's ratcheting-type locking device as having a number of undesirable features, discussed *supra*. While Johnson teaches away from using Moore's specific ratcheting mechanism, which has exposed parts that invite tampering, it does not teach away from using every type of ratcheting mechanism, regardless of how constructed. Instead, Johnson provides increased security relative to Moore's device by enclosing his locking means within a housing that is integral with the body member (col. 2, lines 36-38) so that "no area of the locking mechanism is susceptible to prying by a crow bar or the like" (col. 3, lines 23-27). Achievement of this goal does not preclude the use of a ratcheting mechanism which, like Wu ROC's and unlike Moore's, is contained within a secure lock housing.

XXIII. Was there an art-recognized problem with the Johnson device?

As a further argument for lack of motivation, Wu contends that the "APJ failed to factually establish the existence of an art-recognized awkwardness problem with the Johnson device" (Brief at 102), by which Wu apparently means the APJ was required to identify a particular reference or testimony showing that Johnson's dead bolt operation had actually been perceived to be awkward in that it requires a key for installation on the steering wheel, which he did not do. Wu did not cite any authority in support of this arguments nor did Wang cite any authority to the contrary.[109] Inasmuch as obviousness is judged from the standpoint of the hypothetical person of ordinary skill in the art, proof of actual recognition of the problem by real persons working in the art is not required. As a matter of fact, the absence of proof of recognition does not necessarily imply a lack of actual recognition, as "[t]he failure of the prior art to mention a problem may be due to the fact that in practice the problem is not a serious one." *In re Gershon*, 372 F.2d 535, 538, 152 USPQ 602, 605 (CCPA 1967) (quoting *In re Goodman*, 339 F.2d 228, 232, 144 USPQ 30, 33 (CCPA 1964)). While it is true that *In re Homiya*, 509 F.2d 566, 572, 184 USPQ 607, 612-13 (CCPA 1975), reversed a rejection because the cited prior art, i.e., Nomiya's own "Prior Art" figures and a Bergersen reference, failed to suggest the existence of the problem solved by the invention, (i.e., the discharge through the drain region of an IGFET in the absence of a pulse applied to the gate electrode), the basis for the reversal was not that the prior art failed to expressly describe the problem solved by the appellants. Rather, it was that the evidence as a whole failed to show that the hypothetical person of ordinary skill would have been aware of the existence of the problem and hence the need to solve it:[110]

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[108] Paper No. 50 at 8-10; paper No. 131 at 13.

[109] Wu does not argue that he discovered the source (i.e., cause) of the problem, which can be evidence of nonobviousness. *In re Sponnoble*, 405 F.2d 578, 585, 160 USPQ 237, 243 (CCPA 1969).

> If, as appellants claim, there is no evidence of record that a person of ordinary skill in the art at the time of appellants invention would have expected the problem in the IGFET to exist at all, it is not proper to conclude that the invention which solves this problem . . . would have been obvious to the hypothetical person of ordinary skill in the art. The significance of evidence that a problem was known in the art is, of course, that knowledge of a problem provides a reason or motivation for workers in the art to apply their skills to its solution.

In the present case, however, Moore and Wu ROC were cited as evidence that the hypothetical person of ordinary skill would have perceived Johnson's dead bolt device to be disadvantageous compared to those devices in that it requires a key for installation. In reaching this conclusion, it was conceded[111] that Surko's affidavit did not address whether the artisan would have perceived the Johnson device to be disadvantageous in this respect. Nor was he asked to address this point during his deposition testimony. Even so, Surko's testimony demonstrates that artisans recognized that lock design involves a trade-off between security and convenience (¶ 7, WaR 12-13):

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[110] This holding has been criticized by at least one commentator on the ground that knowledge of the existence of the problem (but not its cause) should be presumed, because the application of known technology to new problems as they arise is not within the purpose of the patent system to promote the progress of the useful arts. See 2 D. Chisum, *Patents* § 5.04[7](c)(iii), at 508-11 (1995).

[111] Paper No. 131 at 13.

> It is well known and accepted in the art that lock design almost always includes consideration for security versus convenience. That is, one locking feature may make a lock more convenient to operate but less secure. One of ordinary skill always takes locking features and mechanisms into consideration in terms of the environment in which the lock is to be used.

Thus, Surko testified (¶ 9, WaR 14) that "it is not unusual to have similar locking devices fabricated in such a way as would provide for greater security or greater ease of operation." This point is clearly demosntrated by Wu ROC, which discloses at least one version (not shown) of the lock for purchasers who prefer a dead bolt operation and another version (shown in Figure 2) for purchasers who prefer a ratcheting operation. While there is no testimony on this point, I believe the artisan would have recognized that the ratcheting version of the Wu ROC lock is faster and easier to install, albeit less secure, than the dead bolt version. See *In re Bozek*, 416 F.2d 1385, 1390, 163 USPQ 545, 549 (CCPA 1969) (a conclusion of obviousness may be made based on "common knowledge and common sense of the person of ordinary skill in the art without any specific hint or suggestion in a particular reference"). Marotto's testimony (¶ 30, WuR 85-86), though cited to show that one skilled in the art would not have considered Johnson's dead bolt operation to be disadvantageous, appears to concede that the artisan would have expected at least some purchasers to prefer "automatic locking" (i.e., ratcheting) over a dead bolt action:

> I note that [the involved] Wang '443 [patent] states that it is a problem in Johnson to have a key to unlock the device to permit in and out telescopic movement . . . . A person with ordinary skill in the art of the '047 [Wu] patent would find no such disadvantage in Johnson since the dead bolt of Johnson is quite secure. *My experience with lock design is that the user may or may not desire an automatic locking feature of the type disclosed by Wu. Some individuals would prefer a key to make sure that they were not Inadvertently applying a device they would be unable to unlock later. Other, individuals would prefer the automatic locking feature for its speed and convenience and would pay a premium price for the feature.* [Emphasis added.]

This reasoning is consistent with the fact that Wu ROC discloses ratcheting and dead bolt versions of its steering wheel lock. In view of the foregoing evidence, I find unconvincing Tobias's testimony (¶¶ 10, 18, 19, 32, WuR 23, 26-28,.36-37) that the artisan would never have considered sacrificing the security of Johnson's dead bolt mechanism for increased convenience. Wu argues that it would have been unobvious to replace Johnson's dead bolt mechanism with a ratcheting mechanism because such a modification would render Johnson "inoperable for its intended purpose," (Brief at 86)," "inferior to the original" (Brief at 91-92), or "less suitable for its intended function" (Brief at 103), citing *In re Gordon*, 733 F.2d 900, 902, 221 USPQ 1125, 1127 (Fed. Cir. 1984), and *In re Schulpen*, 390 F.2d 1009, 157 USPQ 52 (CCPA 1968). This argument fails because the Johnson device as modified to include a ratcheting mechanism will still operate as an anti-theft device, albeit somewhat less securely than the original dead bolt version. Wu has cited no case which holds that it is unobvious to improve one aspect of an invention at the expense of another, provided the primary purpose of the invention (e..g., locking the steering wheel) is retained.

For the foregoing reasons, Wu has failed to show an abuse of discretion in the conclusion that the hypothetical person of ordinary skill would have been motivated to replace Johnson's dead bolt mechanism with a suitable ratchet-type mechanism. For the same reasons, Wu has not shown (Brief at 106) that the determination of obviousness employed the "references on the wall" approach that was approved in *In re Winslow*, 365 F.2d 1017, 1020, 151 USPQ 48, 51 (CCPA 1966), but later modified by *In re Antle*, 444 F.2d 1168, 1171, 170 USPQ 285, 287 (CCPA 1971).

It is noted that Wang argues (Brief at 17-18) that Johnson specifically contemplates the use of locking mechanisms other than that employed in the disclosed embodiment, citing the paragraph bridging columns 5-6:

> The invention has been described with reference to the preferred embodiment. It will be appreciated that modifications or alterations could be made without deviating from the present invention. For example, the body member and rod member need not have circular cross-sections. A rod having rectangular cross-section could-be provided and matched with the body member having a rectangular passage without deviating from the present invention. Likewise, *other locating arrangements could be provided to effect locking of the rod member within the body member*. [Wang's emphasis.]

This problem with this argument is that Johnson uses the term "locating" to refer to detent means 20, which includes ball 60 and spring 62 (col. 4, line 41-52).

XXIV. The prima face case for obviousness (claim 9)

The next question is whether it would have been prima facie obvious to modify the Johnson device in view of Moore, Wu ROC, and Grimaldi in a manner which produces a device that satisfies the limitations of claim 9 of the '411 application. It should be noted, first of all, that the reliance on Moore was limited to its teaching of the convenience of using a ratchet-type mechanism in a steering wheel lock; none of Moore's disclosed ratcheting structure, which Johnson considered to be too exposed and vulnerable, was relied on in modifying Johnson. Instead, only the structural teachings of Johnson, Wu ROC, and Grimaldi were combined, as follows:[112]

> [I]t would have been obvious, for the purpose of permitting the Johnson device to operate in the advantageous manner of the Wu ROC and Moore devices, to modify it by moving the key lock 72 transversely away from the longitudinal axis of rod 46 in order to make room for a spring-biased locking pin of the type disclosed in Wu ROC in a transverse passageway therebetween, with the key lock controlling the locking pin in the same manner as in Wu ROC.

Actually, this is a more detailed description of how to combine the teachings of the prior art than is required to make out a *prima facie* case for obviousness. It would have been sufficient to more generally conclude that it would have been obvious to modify Johnson so as to include, between the lock and the passageway that carries the locking rod, a transverse passageway carrying a spring-biased pawl ("tenon member") movable by the lock from a locking position that allows spring-biased engagement with one of the grooves on the rod member to an unlocking position that prevents spring-biased engagement with any grooves on the rod member.

Wu cites various structural differences between the Johnson and Wu ROC devices as evidence of the noncombinability of their teachings, including the fact that Wu ROC's locking core 3 and Johnson's key lock 72 have different orientations relative to the axes, of their respective locking rods. However, it is well settled that the test for obviousness is not whether the features of a secondary reference can be bodily incorporated into the structure of the primary reference;

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[112] Paper No. 50 at 9.

the test is what the combined teachings of the prior art would have suggested to those of ordinary skill in the art. *In re Keller*, 642 F.2d 413, 425, 208 USPQ 871, 881 (CCPA 1981). *See also In re Sneed*, 710 F.2d 1544, 1550, 218 USPQ 385, 389 (Fed. Cir. 1983) (obviousness does not require that the inventions of the references be physically combined). Furthermore, the different orientations of Wu ROC'S locking core and Johnson's key lock are due to the difference in the intended uses of the devices. Whereas the Wu ROC device is used to lock the steering wheel to the brake pedal, the Johnson device is to be mounted entirely on the steering wheel. Inasmuch as Johnson as modified retains its function of being mounted entirely on the steering wheel, the artisan would have seen no reason to change the orientation of the key lock to that used in the Wu ROC device.

Wu also argues (Brief at 63-64) that incorporating the Wu ROC ratcheting mechanism into the Johnson device would result in a device in which the positioning pin (or set screw) 31 for retaining locking core key 3 and the cover 51 for closing off the bore that contains locking pin 5 would be in plain view of a thief and thus subject to tampqring, thereby destroying the security. provided by the Johnson device. The argument about the set screw is unpersuasive because Johnson's key lock 2 is apparently held in place without the need for a set screw. Moreover, even if Johnson were modified to include a set screw, it would be at least as tamper-resistant as the ratcheting and dead bolt versions of Wu ROC device, which presumably provide a satisfactory degree of security. The same is true if Johnson were modified to employ Wu ROC's non-blind locking pin bore and bore cover. Furthermore, as explained below in connection with other claims, it would have been obvious to use a blind bore in the modified Johnson device.

The type of locking rod to be employed in the modified Johnson device was described in Paper No. 131 (at 15) as follows:

> Wu ROC does not explain why locking rod 2 employs grooves which alternate between the two shapes shown in Fig. 2. Nonetheless, the artisan would have recognized that only every other groove (e.g., the middle groove in Fig. 2) provides an engagement surface which is "vertical" enough to engage locking pin 5 sufficiently to prevent the rod from slipping back one groove from its fully extended position.
>
> In order to prevent the above-noted slippage, it would have been obvious to provide the locking rod of the modified Johnson device with grooves having the shape shown in

Grimaldi. Each of these grooves consists of a side wall that is "vertical" enough to prevent the above-noted slippage and a frusto-conical sloping side wall. Obviously, the "vertical" wall must be located relatively close to the second U-shaped hook and the sloping side wall relatively far from the second U-shaped hook if the rod is to be lockable in its extended position.

While this analysis remains fundamentally correct, some modification in required in view of Surko's cross-examination testimony. As noted above, Surko testified that the reason the Wu ROC rod has two different types of grooves is to allow the same rod to be used whether the lock housing is constructed with a uni-directional (ratcheting) lock mechanism or with a bidirectional (dead bolt) locking mechanism. Since the point of modifying Johnson would have been to provide a ratchet-only type operation, the artisan would have seen no need to use Wu ROC's dual-purpose rod in the modified Johnson device and therefore would have chosen a conventional ratcheting rod like that shown in Grimaldi, wherein every groove is capable of ratcheting and locking. Moreover, such a rod provides firmer installation on the steering wheel than the Wu ROC locking rod, wherein only every other groove functions as a ratcheting groove.

Wu argues (Brief at 93) that "[t]he APJ, without citing any factual.ar legal support, that an artisan skilled in the art would have recognized this apparent flaw in the Wu ROC rod and *modified the rod* accordingly" (emphasis added). Wu's reference to modifying the Wu ROC rod misconstrues the case for obviousness to be a two-step combination of the references, with Johnson initially being modified to include the Wu ROC rod, followed by a modification of the Wu ROC rod in view of Grimaldi. Instead, the case for obviousness is based on the conclusion that the artisan would have selected Wu ROC's teaching of a transverse bore containing a key-operated, spring-biased ratcheting pin while at the same time selecting Grimaldi's ratoheting locking rod.

Also unpersuasive is Wu's argument (Brief at 93) that there is no teaching of reorienting the Wu ROC grooves, which provide a ratcheting action when the telescoping rods are pushed together, to provide a ratcheting action when the telescoping members are moved apart, as disclosed in the Wu patent and required by Wu's claim 9 (and Wu's other claims). This argument overlooks the fact that the artisan is presumed to be skilled in the art. *In re Sovish*, 769 F.2d 738, 743, 226 USPQ 771, 774 (Fed. Cir. 1985). An artisan combining the teachings of Johnson, Wu ROC, and Grimaldi would have understood how to orient the ratchet teeth so as to provide ratcheting action when Johnson's telescoping members are pulled apart. Likewise, the artisan would have seen no importance in the fact that whereas the Johnson device is stored in a collapsed state with the movable bar inside the stationary bar, the Wu ROC device is stored in two separate pieces (Brief at 89), or in the related fact that the concave portions of the hooks face away from each other in the Johnson device and toward each other in the Wu ROC device.

Wu argues (Brief at 101) that in making the *sua sponte* obviousness determination, "the APJ failed to identify wherein the applied prior art discloses a ratchet mechanism comprising a blind bore with a spring and a perpendicular pawl, and steering wheel lock comprising a housing pinned to a shaft." This argument is clearly irrelevant to claim 9, which does not call for a blind bore, a perpendicular pawl, or a housing pinned to a shaft. These features appear in other claims, discussed infra.

For the foregoing reasons, Wu has failed to show an abuse of discretion in the *sua sponte* determination that the subject matter of claim 9 of the '411 application would have been *prima facie* obvious in view of the prior art, i.e., obvious without consideration of Wu's evidence of commercial success and copying.

Wu also argues that the subject matter of Wu's involved claims was considered allowable over the cited prior art by several *ex parte* examiners (Brief at 83). Even so, an *ex parte* examiner's conclusion of patentability is not binding on the Board in an interference proceeding. *Martin v. Mayer*, 823 F.2d at 503, 3 USPQ2d at 1335.

XXV. The remaining claims -- did *Van Geuns* create a "rebuttable presumption" of unpatentability

As already noted, *Van Geuns* held that a party may separately argue the patentability of the claims that correspond substantially to the count where the subject matter of the count is unpatentable for obviousness. However, in view of *Van Geuns's* admonition against applying the prior art to the count,[113] it is perhaps more accurate to construe *Van Geuns* as holding that a party may separately argue the patentability of the claims that correspond substantially to the count where the subject matter of a clam that corresponds exactly to the count is unpatentable for obviousness.[114]

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[113] 988 F.2d at 1184, 26 USPQ2d at 1059.

Paper No. 131 (at 7-8) interpreted *Van Geuns* to mean there is a "rebuttable presumption" that the subject matter of the claims that correspond substantially to the count would have been obvious over the prior art, i.e., that the burden is on the party to separately argue the patentability of the individual claims. That such a presumption exists is clear from the following passage in *Van Geuns*:[115]

> The interference rules do not specify whether a party may argue the patentability of claims separately to the EIC and the Board. However, the procedures for considering patentability in an interference proceeding essentially parallel the usual *ex parte* patentability prosecution and appeal procedures. We conclude that a party to an interference should be permitted to argue the separate patentability of claims designated as corresponding substantially to the count, just as a party would be permitted to do in an *ex parte* prosecution and appeal. Of course, if a party chooses not to argue the claims separately, they would stand or fall together. *Cf.* 37 C.F.R. § 1.192(c)(5)[3]; *In re King*, 801 F.2d 1324, 1325, 231 USPQ 136, 137 (Fed. Cir. 1986).
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>
> [3] 37 CFR § 1.192(c)(5) [1994] reads:
>
> > (5) *Grouping of claims*. For each ground of rejection which appellant contests and which applies to more than one claim, it will be presumed that the rejected claims stand or fall together unless a statement is included that the rejected claims do not stand or fall together and, in the appropriate part or parts of the argument under paragraph (c)(6) of this section appellant presents reasons as to appellant considers the rejected claims to be separately patentable.

However, this presumption was extended too far by Paper No. 131, which held (at 16-18) that Wu was required to address not only the prior art specifically relied on, but any other relevant prior art known to Wu, whether or not of record. All Wu is required to show to rebut the presumption is that his claims are separately patentable over the prior art actually relied on, i.e., Johnson, Moore, Wu ROC, and Grimaldi. This is in accord with *ex parte* appeal practice, which requires applicant whose claims have been rejected as a group over one or more references and who does not want the claims to be treated as standing or falling together to separately argue the patentability of those claims. 37 CFR 1.192(c)(7);[116] *King*, 801 F.2d at 1325, 231 USPQ at 137.

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[114] *Van Geuns* did not address the situation where neither party has a claim that corresponds exactly to the count.

[115] 988 F.2d at 1186, 26 USPQ2d at 1060.

Wu, in support of his argument that the APJ was required to make out a separate *prima facie* case of obviousness with respect to every claim asserted to be unpatentable, characterizes Paper No. 131 as equivalent to an examiner's answer in an ordinary *ex parte* appeal and cites the above-quoted passage from *Van Geuns*. However, allowing a party to separately argue patentability in response to a *sua sponte* determination of obviousness does not imply that the determination itself must separately address each claim.

Wu also argues that because 37 CFR § 1.633(a) as amended effective April 21, 1995, requires a party moving for judgment based on unpatentability over prior art to apply the prior art separately to each claim alleged to be unpatentable, the same burden applied to an APJ's *sua sponte* determination of obviousness. This argument is unpersuasive because (1) Paper No. 70, the first paper which held the claims of the '411 application and the Wu patent to be unpatentable over the prior art, was mailed on August 26, 1992, prior to the effective date of the rule change, and (2) the amended rule does not apply to *sua sponte* determinations of unpatentability. These are governed instead by 37 CFR § 1.641, which even as amended effective April 21, 1995, does not require that the claims be separately addressed by the APJ.

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[116] 37 CFR $ 1.192(c)(5) was amended effective April 21, 1995, and redesignated as 37 CFR § 1.192(c)(7), which reads as follows:

> (7) *Grouping of claims*. For each ground of rejection which appellant contests and which applies to a group of two or more claims, the Board shall select a single claim from the group and shall decide the appeal as to the ground of rejection on the basis of that claim alone unless a statement is included that the claims of the group do not stand or fall together and, in the argument under paragraph (c)(8) of this section, appellant explains why the claims of the group are believed to be separately patentable. Merely pointing out differences in what the claims cover is not an argument as to why the claims are separately patentable.

XXVI. Claim 12 of the '975 application and claim 4 of the Wu patent

Wu does not argue that claim 12 of the '975 application or claim 4 of the Wang patent are separately patentable over the prior art in comparison to claim 9 or Count 2. Consequently, he has not rebutted the presumption of obviousness of the subject matter of claims 4 and 12, which therefore fall with claim 9. As a result, it is not necessary to review the separate *sua sponte* determination[117] that claim 12, which differs from claim 9 by using closed "consisting of" terminology to describe the groove shape, reads on Johnson as modified above. Nevertheless, it is clear that this "consisting of" terminology is satisfied by the Johnson device as modified to include grooves like those shown in Grimaldi's Figures 4 and 8.

XXVII. Claim 11 of the '411 application - the "blind bore"

Claim 11, which depends on claim 9, calls, *inter alia*, for the ratcheting pawl to be carried in a "blind bore" that is "generally perpendicular" to the passageway that carries the locking rod, and for the pawl to have a slot receiving a torque blade carried by a lock cylinder, which is in a second bore that overlies the slot. Although Paper No. 131 held (at 16-17) that in Johnson as modified in view of Moore, Wu ROC, and Grimaldi, the bore containing the locking pawl would be "perpendicular" to the axis of the locking rod, the claim requires only that it be "generally perpendicular," which is broad enough to read on the orientation of the bore in the Wu ROC device. As a result, Wu has the burden of showing that the artisan, in combining the teachings of the references, would given the pawl-carrying bore something other than a perpendicular or generally perpendicular orientation. Marotto's testimony (¶ 25, WuR 82) that the perpendicular orientation employed in the Wu patent "increases spring force against the rod" fails to meet this burden because it does not demonstrate that the artisan would have been unaware of the relationship between bore orientation and force on the rod. More importantly, it does not explain why it would have unobvious to use the generally perpendicular bore orientation employed in the Wu ROC device or a perpedendicular orientation.

Wu has also failed to show that it would have been unobvious to form the locking pin bore as a "blind" bore. Paper No. 131. held (at 17) that

> [t]he use of a blind bore is shown in Figures 4 and 8 of

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[117] Paper No. 50 at 9.

> Grimaldi and has the obvious advantage of preventing tampering with the pawl. Wu has not explained why it would have been unobvious in view of Grimaldi to use a blind bore to support the pawl in the modified Johnson device.

Wu argues (Brief at 66) that "it would destroy the teaching in Wu ROC to use a blind bore, since the purpose of that design is to be able to quickly change the lock function by exchanging different press bodies and locking pins," citing *Ex parte Rosenfeld*, 130 USPQ 113, 114-15 (Bd. Pat. App. 1961), and *Ex parte Hartmann*, 186 USPQ 366, 367 (Bd. Pat. App. 1974). This argument incorrectly presumes that the artisan would have seen a need to incorporate Wu ROC's teaching of part exchangeability into the Johnson device. Furthermore, Marotto did not specifically dispute the conclusion that it would have been prima facie obvious to use a blind bore for the purpose of making the locking pin less susceptible to tampering. Instead, Marotto testified (¶ 23, WuR 81) that it was a "clever idea" to use a blind bore for this purpose and for two additional purposes, i.e., (1) to permit the use of a heavier spring to increase ratchet feel and snugness and (2) to carry a plug in the end thereof which-pins the lock housing to the sleeve. However, these additional reasons for using a blind bore do not rebut the obviousness of using a blind bore for the first reason, which is to improve tamper resistance. *See In re Beattie*, 974 F.2d 1309, 1312, 24 USPQ2d 1040, 1042 (Fed. Cir. 1992) ("[a]s long as some motivation or suggestion to combine the references is provided by the prior art taken as a whole, the law does not require that the references be combined for the reasons contemplated by the inventor.").

Since Wu has not shown that claim 11 is separately patentable over Johnson, Moore, Wu ROC, and Grimaldi, the *sua sponte* determination of unpatentability of that claim will stand.

XXVIII. Claim 10 of the '411 Application

Claim 10 is an independent claim which differs from claims 9 and 11 principally by describing the movable rod in terms of the tooth shape rather than the groove shape. Specifically, claim 10 calls for each tooth to include a "flat annular stop surface" (the "vertical" surface of claims 9 and 11), "a longitudinally extending cylindrical surface" (which Wu refers to as an outer or outside "land"), and a "frusto-conical" (sloping) surface. The subject matter of this claim was not specifically addressed in Paper No. 131 because, as noted above, it was erroneously grouped with the claims whose patentability

Wu did not separately argue.[118] Nevertheless, because this claim corresponds substantially to the count, Wu has the burden of rebutting the presumption under *Van Geuns* that the claimed subject matter is unpatentable for obviousness over Johnson, Moore, Wu ROC, and Grimaldi. The claim language in question describes Grimaldi's ratchet teeth (Figs. 4 and 8), each of which includes a vertical wall and a frusto-conical wall separated by a cylindrical outer surface. Wu has not explained why one skilled in the art, modifying Johnson in view of Grimaldi's ratcheting locking rod, would have elected to use Grimaldi's vertical and frusto-conidal surfaces but not the outer lands. Marotto's testimony (S 24, WuR 81) that the claimed outer lands "provide a bearing area keeping the tube aligned in the housing and, in conjunction with the spring force, also contribute to the stability of the rod as it telescopes from the housing" does not demonstrate that the artisan would have failed to recognize that Grimaldi's outer lands provide the same or other advantages or that these advantages would not have been considered useful in the modified Johnson device.

XXIX. Claim 2 of the Wu Patent

Claim 2 of the Wu patent differs from claim 9 of the '411 application by calling for an outer land ("first cylindrical surface") and a "blind bore" for the locking pawl. As explained above in connection with claims 10 and 11 of the '411 application, both of these features are disclosed in Grimaldi and Wu has not demonstrated the unobviousness of including them in the modified Johnson device. As a result, the *sua sponte* obviousness determination of claim 2 will stand.

XXX. Claims 1 and 3 of the Wu patent

Claims 1 and 3 of the Wu patent recite several limitations not found in the claims discussed above. The first is that both claims call for the teeth to have inner lands ("second cylindrical surfaces") in addition to the outer lands ("first cylindrical surfaces"). Grimaldi shows outer lands but not inner lands. That this limitation is not satisfied by the combined teachings of Johnson, Moore, Wu ROC, and Grimaldi is apparent from Paper No. 131's citation (at 17-18) of the Fang patent as showing inner lands, which is effectively a concession that the *Van Geuns* presumption does not apply to these claims insofar as inner lands are concerned (outer lands are taught by Grimaldi). However, it is still necessary to consider whether that paper established the prima facie obviousness, in view of Fang, of using inner lands in adition to outer lands in the modified Johnson device. That paper stated that (1) Fang teaches inner (and outer) lands and (2) the artisan would have understood the inner lands permit the end of the pawl to be thicker as measured in the direction of the axis of the rod and thus stronger than if no inner land is provided. Regarding point (i), Marotto testified (¶ 28b, WuR 84) that Fang does not show inner lands at all. However, inner lands are clearly depicted in Fang's Figure 2, which shows the flat end of retaining member 421 engaging one of the inner lands. Wu does not address point (2), let alone demonstrate that it is incorrect. As a result, he has failed to show error in the *sua sponte* determination that it would have been *prima facie* obvious in view of Fang to employ inner lands as well as outer lands in the modified Johnson device.

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[118] Paper No. 131 at 16.

These patent claims also require the lock housing to have a bottom portion substantially aligned with the bottom of the sleeve member. Referring to Figure 5 of the Wu patent, the claimed bottom portion appears to correspond to the lock housing's "rear" surface 90, which extends only a slight distance below the bottom edge of sleeve 22. The lock housing in the Johnson device (see Fig. 4) is identical in this respect. Although Johnson does not explain the significance of this feature, it is readily apparent (see, e.g., Figure 1 of the Wu patent.) that this feature minimizes interference between the lock housing and the hub of the steering wheel. Paper No. 131 held (at 18) that Wu had not satisfactorily explained why this limitation is not already satisfied by Johnson as modified in view of Moore, Wu ROC and Grimaldi. Wu argues (Brief at 141) that

> Wu [was] still able, in spite of all of the additional elements of a ratchet lock, to produce a lock housing configuration aligned with the bottom portion of its sleeve member. Wu is not aware of prior art automobile "ratchet" locks where space limitations have been overcome to provide such clearance. (See for example, Marotto, paragraph 25, WuR82.)

While Marotto's cited testimony explains that the geometry of the blind bore allows for compactness of the lock housing so that it "can be mounted to span any number, of steering wheel designs having horn centers which house air bags and the like," Marotto does not explain why one skilled in the art, modifying Johnson to include a ratchet mechanism, would have thought it necessary to move the bottom wall of Johnson's modified lock housing at all, let alone to a position below substantial alignment with the bottom edge of the sleeve.

The last limitation on which Wu relies is the requirement of claims 1 and 3 that the lock housing be pinned to the sleeve (i.e., stationary rod) by a plug (element '66 in Fig. 6 of the Wu patent) that extends through circular openings in the sleeve member and the lock housing to close off the exposed end of the blind bore. Wang contends (Brief at 23) that the "pinning" function of the plug, which was added by an amendment filed November 2, 1989, lacks written description support in the Wu patent application as filed, because Wu's lock housing 14 is "die cast around the extended portion 30 of the tube 22 to form an integral structure therewith" (col. 7, lines 42-45). Because, as Wu correctly notes (Brief at 139), Wang should have raised . this issue by way of a timely motion for judgment under 37 CFR § 1.633(a), the argument will not be considered.

Wang argues (Brief at 20) that Grimaldi discloses a plug that closes off the exposed end of the blind bore, which is presumably a reference to the shaded areas at the outer ends of the blind bores in Grimaldi's Figures 4 and 8. It is' not clear what these shaded areas represent. Grimaldi does not discuss them and the only cited testimony on this point is Marotto's unrebutted testimony (¶ 23, WuR 81, cited at Wu Brief 138) that the shaded region in Figure 4 represents an empty space rather than a plug. This testimony is consistent with Figure 8. If the shaded regions represented plugs, the innermost of the two plugs shown in that figure would prevent any movement of the rod, because it extends into one of the grooves.

Paper No. 131 stated, without citing a reference, that it would have been obvious to (1) close off the outer end of the blind bore, i.e., the openings in the lock housing and sleeve, with a plug in order to prevent access to the pawl and (2) make the plug as thick as thick as the lock housing wall and the sleeve in order to make it as strong as possible, in which case it inherently will pin the lock housing to the sleeve. Although Marotto, the only witness to address this question, characterizes the use of a plug to close off the end of the bore to prevent tampering, as a "clever idea" (¶ 23, WuR 81), Judge Pate and I agree that providing a plug for this purpose would have been obvious to one of ordinary skill in the art. Where Judge Pate and I part company is on the question of whether it would have been obvious to make the plug thick enough to extend into the openings in both the lock housing wall and the sleeve. Although there is no testimony either way on this question, I believe it would have been obvious to maximize the strength of the plug by making it as thick as possible without having it extend into the passage that carries the movable rod, in which case the plug will extend into the openings in the lock housing and the sleeve. Although Johnson's lock housing is "formed around extending portion 34 of tube 30 to form an integral structure therewith" (col. 4, lines 37-39), such a plug would inherently pin the lock housing to the outer sleeve to the same extent as does plug 66 in the Wu patent, wherein the lock housing is likewise die cast around the extended portion 30 of the tube 22 to form an integral structure (col. 7, lines 42-45). Because the motivation for making the plug as thick as possible is to make it as strong as possible rather than to provide the claimed pinning action, this is not a case where the motivation is improperly based on inherency. *See In re Spormann*, 363 F.2d 444, 448, 150 USPQ 449, 452 (CCPA 1966) ("obviousness cannot be predicated on what is unknown").

For the foregoing reasons, I would enter judgment against patent claims 1 and 3 for obviousness in view of Johnson, Moore, Wu ROC, Grimaldi, and Fang.

XXXI. Secondary considerations in general

Inasmuch as the subject matter of Wu's involved claims would have been *prima facie* obvious in view of the prior art, it is necessary to consider whether Wu's evidence of commercial success and copying compels a different result. Although these factors must be considered, they do not control the obviousness conclusion. *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 768 9 USPQ2d 1417, 1426 (Fed. Cir. 1988), *cert. denied*, 110 S.Ct. 62 (1989). For the reasons given below, the evidence of commercial success and copying fails to rebut the *prima facie* case for obviousness as to any of Wu's involved claims.

XXXII. Commercial success

Winner, assignee of the involved Wu applications and patent, first entered the automobile anti-theft device market with THE CLUB®,[119] the device disclosed and claimed in the Johnson patent (Hornbostel, ¶ 7, WuR 51). This was the first mechanical automobile anti-theft device on the market that extended across the steering wheel with an extension to prevent rotation of the steering wheel (Hornbostel, ¶ 15, WuR 53-54). By 1990 Winner had introduced, under the tradenames SUPER CLUB® and ULTRA CLUB®, a steering wheel lock constructed in accordance with the disclosure of Wu's involved patent to include the automatic locking feature. The only difference between the SUPER CLUB® and ULTRA CLUB® appears to be that the SUPER CLUB® name is used on locks that are sold directly by Winner from its headquarters in Sharon, Pennsylvania, whereas the ULTRA CLUB® name is used on locks that are retailed in various outlets throughout the United States (Winner, ¶ 6, WuR 8-9). The SUPER CLUB® and ULTRA CLUB® retail at prices about 33% higher than THE CLUB® (Winner, ¶ 9, WuR 9).

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[119] The date THE CLUB was first introduced is not disclosed, Johnson's effective filing date is November 26, 1985.

It is undisputed that sales of the three Winner devices, i.e., THE CLUB®, SUPER CLUB®, and ULTRA CLUB®, account for about 80% of the steering wheel lock market (i.e., 4,000,000 units out of a market of 5,000,000 units) (O'Connor, ¶ 6, WuR 71), with sales of the SUPER CLUB® and ULTRA CLUB® accounting for at least 5% of the total market (250,000 units) (Brief at 113; O'Connor, ¶ 12, WuR 72). It is also undisputed that sales of the GORILLA GRIP® devices sold by Amcor and manufactured in accordance with Wang's involved patent, which also include the claimed automatic locking feature (Brief at 114), account for about one-fourth of non-Winner steering wheel locks, or about 250,000 units per year (Winner, ¶¶ 11-12, WuR 9; O'Connor, ¶ 12, WuR 72). Nevertheless, Wu's brief (at 113, 117) relies on only the "at least 5%" market share of the SUPER CLUB® and ULTRA CLUB®.

Wang does not dispute that this market share is large enough to constitute commercial success or that these devices fail to embody the claimed subject matter. Instead, Wang asserts Wu failed to show the requisite "nexus" between these sales and the merits of the claimed invention because Wu failed to prove that the sales were not due to other factors, such as extensive advertising, unclaimed features, and Winner's dominant market position. As support for his contention that Wu bears the burden of proving the sales were not due to these other factors, Wang quotes *Cable Elec. Products Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1027, 226 USPQ 881, 888 (Fed. Cir. 1985):

> [F]or commercial success of a product embodying a claimed invention to have true relevance to the issue of nonobviousness, that success must be shown to have in some way been due to the nature of the claimed invention, as opposed to other economic and commercial factors unrelated to the technical quality of the patented subject matter. Thus, a "nexis is required , between the merits of the invention and the evidence offered, if that evidence is to be given substantial weight enroute to [a] conclusion on the obviousness issue." [Citation omitted.]

Wu counters that insofar as "nexus" is concerned, his burden is satisfied simply by showing that the sold devices embody the claimed invention, with the burden shifting to Wang to come forward with evidence showing that the sales were due to factors other than the merits of the claimed invention, quoting *Demaco Corp. v. F. Von*

Langsdorff Licensing Ltd., 851 F.2d 1387, 1392-93, 7 USPQ2d 1222, 1226 (Fed. Cir.), *cert. denied*, 488 U.S. 956 (1988):

> A prima facie case of nexus is generally made out when the patentee shows both that there is commercial success, and that the thing (product or method) that is commercially successful is the invention disclosed and claimed in the patent . . . .
>
> When the patentee has presented a prima facie case of nexus, the burden of coming forward with evidence in rebuttal shifts to the challenger, as in any civil litigation. *See Hazelwood School District v. United States*, 433 U.S. 299, 314 (1977).

Wu's position ignores *Ex parte Remark*, 15 USPQ2d 1498, 1503 (Bd. Pat. App. & Int. 1990) (five-member panel), which is binding on this panel and held that *Demaco* does not apply to *ex parte* or *inter partes* proceedings in the PTO, with the result that the burden is on Wu to show that the success was not due to factors other than the claimed automatic locking feature. Hence, it is necessary to determine whether Wu has established that the sales of the SUPER CLUB® and ULTRA CLUB® are primarily due to the automatic locking feature. See *Continental Can Co. USA, Inc. v. Monsanto Co.*, 948 F.2d 1264, 1273, 20 USPQ2d 1746, 1752-53 (Fed. Cir. 1991) (it is not necessary that the sales be due exclusively to the claimed feature).

Wang contends that Wu has failed to show that the sales were not due to (1) unclaimed features, (2) Winner's dominant marketing position, and/or (3) extensive advertising. Regarding unclaimed features, Wang asserts that Wu's exhibits WuX 14-16 show the sales were due in large part to factors other than the automatic locking feature. WuX 14 is a magazine advertisement for the SUPER CLUB®; WuX 15 and 16 are magazine advertisements for both THE CLUB® and the SUPER CLUB®. WuX 15 and 16 describe the construction and operation of THE CLUB® and the SUPER CLUB® and note that the more expensive SUPER CLUB® differs structurally from THE CLUB® in two ways: (1) the locking mechanism locks automatically when the device is installed, with the result that installation is more convenient and takes only about three seconds; and (2) the SUPER CLUB® uses a more secure state-of-the art "cross key," which WuX 14 shows is to be inserted into a cross-shaped keyhole. The advertisements also provide different reimbursement guarantees for the devices. WuX 15 and 16, which give prices of $59.95 and $79.95, respectively, for THE CLUB® (automobile version) and the SUPER CLUB®, guarantee reimbursement of up to $200 and $500, respectively, towards the insurance deductible if the car is stolen while using the respective device. WuX 14 prices the SUPER CLUB® even higher at $99.95 and guarantees reimbursement up to $1,000. Although these advertisements indicates that THE CLUB® has been endorsed by several individual policemen and police organizations, they do not mention any separate endorsement of the SUPER CLUB®.

Wang's position is that these exhibits show "the commercial success of the SUPER CLUB® is due to the success of THE CLUB®, the cross key, or the higher payment insurance deductible and not the self-locking feature" (Brief at 28). In support of his contention that the success of the SUPER CLUB® may have been due to the features it has in common with THE CLUB® Wang quotes *In re,Caveney*, 386 F.2d 917, 923, 155 USPQ 681, 687 (CCPA 1967), as modified to include bracketed references to THE CLUB® and the SUPER CLUB®:

> In short, the Walch duct [CLUB] has all but one of the four or five listed advantages of appellant's invention [SUPER CLUB]. The commercial success embodies the Walch invention [CLUB] as well as appellant's [SUPER CLUB]. It seems to us that appellant's commercial success (SUPER CLUB] may well be due to those features of his ducts which are covered by the Walch patent [CLUB] . . . . Commercial success, in such circumstances, is no indication of patentability *over* the Walch device [CLUB]. [Wang's emphasis.]

Caveney is inapposite because, in contrast to the present case, there was no commercial embodiment of the Walch duct with which to compare sales of the appellant's invention. Since the SUPER CLUB® was sold in competition with THE CLUB® and at a higher price, it is reasonable to assume that the purchasers of the former thought they were paying for the differences between the two devices rather than their similarities.

Nevertheless, I agree with Wang that Wu has not proved that the primary reason for the sales of the SUPER CLUB® is the automatic locking feature. Although Shaffer testified that it is "the" reason for the sales (¶¶ 10-12, WuR 15-16), he did not provide the factual basis for this conclusion and Winner testified that is "one reason" for the sales (¶ 23, WUR 11). While O'Connor testified (¶ 3, WuR 74) that of 50 people surveyed at a mall, 60% thought that the automatic locking feature of the SUPER CLUB® was an advantage over the dead bolt locking operation of THE CLUB® and 46% thought this difference justified a higher price for the SUPER CLUB®, this survey does not rule out the possibility that the cross-key and/or the higher deductible reimbursement associated with the SUPER CLUB® are considered important enough to justify a higher price even without the automatic locking feature. In fact, the higher deductible might be understood to imply that SUPER CLUB® is more secure than THE CLUB® (in fact the opposite is true).

Wang also argues (Brief at 7-8) that instead of being due to the automatic locking feature, the commercial success of the SUPER CLUB® is more likely due to Winner's dominant market position (80% market share), which Winner attained through intensive marketing and promotion of THE CLUB®, citing Hornbostel's testimony that "Winner created the market for such devices by introducing a product with great commercial appeal and THE CLUB® by television and radio advertising throughout the United States at a cost of tens of millions of dollars" (¶ 15, WuR 54) and Winner's testimony that "several millions of dollars" were invested in developing and marketing THE CLUB® (¶ 3, WuR 8). In support of his contention that Winner's dominant market position undercuts the SUPER CLUB® sales as evidence of nonobviousness, Wang cites *Pentec, Inc. v. Graphic Controls Corp.*, 776 F.2d 309, 316, 227 USPQ 766, 770 (Fed. Cir. 1985), and *In re Mageli*, 470 F.2d 1380, 1384, 176 USPQ 305, 308 (CCPA 1973). Neither of the cited cases involved a situation like the one before us, in which the "dominant" seller sold not only the products embodying the claimed invention alleged to be commercially successful (i.e., the SUPER CLUB® and ULTRA CLUB®) but also the closest prior art product (i.e., THE CLUB®). Under these circumstances, one would not, expect the dominant position of the seller to explain the difference is sales, especially where, as here, the products are advertized together.

Although not argued by Wang, I believe the "at least 5%" market share of the SUPER CLUB® and ULTRA CLUB® is too small to overcome the strong evidence of obviousness. As explained in *In re Fielder*, 471 F.2d 640, 644, 176 USPQ 300, 303-04 (CCPA 1973), more than just a modest degree of commercial success is required to imply nonobviousness:

> In *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, . . .148 USPQ 459, 467 (1966), the Supreme Court stated:
>
> > Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.

> > See Note, Subtests of "Nonobviousness," 112 U. Pa. L. Rev. 1169 (1964).
>
> The University of Pennsylvania Law Review to which the Court referred offers the following explanation for the relevance of satisfaction of long-felt, but unsolved needs to nonobviousness:
>
> > A defect in a product or process spurs the businessman to deploy resources for discovering a solution. * * * Existence of the defect creates a demand for its correction, and it is reasonable to infer that the defect would not persist were the, solution "obvious."
>
> With regard to commercial success, the author reasoned:
>
> > The possibility of market success attendant upon the solution of an existing problem may induce innovators to attempt a solution. If in fact a product attains a high degree of commercial success, there is a basis for inferring that such attempts have been made and have failed.
>
> These rationales, presumably approved by the Court, tie commercial success and the like directly to the practical, financial source of impetus for research and development.

A 5% market share for the claimed invention does not equate to a high degree of success. *Compare King Instrument Corp. v. Otari Corp.*, 767 F.2d 853, 859, 226 USPQ 402, 405-06 (Fed. Cir. 1985) (King invention caused a profound change in the recording industry; new King machines allowed cassette loading to advance from a production rate of about 450 cassettes per operator-day to 5,000 cassettes in a single eight-hour shift), *cert. denied*, 475 U.S. 1016 (1986); *In re Hayes Microcomputer Prods. Inc.*, 982 F.2d 1527, 1540, 25 USP02d 1241, 1251 (Fed. Cir. 1992) ("the commercial success of the invention, the failure of others to solve the problem addressed by the patented invention, and the fact that the escape code signal '_+++_' has become the industry standard is compelling objective evidence of the nonobviousness of the claimed invention"). Even assuming for the sake of argument that Wu is entitled to also rely on the 250,000 unit annual sales of the GORILLA GRIP® (it has not been established, that those sales are primarily due to the automatic locking feature), which would give the claimed invention at least about a 10% market share, this market share is still too small to rebut the *prima face* case for obviousness.

It is also noteworthy that inasmuch as the commercial success argument presumes the existence of an art-recognized problem, *Fielder*, 471 F.2d at 644, 176 USPQ at 303-04, the commercial success argument is inconsistent with his argument that there was no art-recognized problem with the Johnson device.

XXXIII. Copying

Wu also contends (Brief at 118) that Amcor's GORILLA GRIP®e was copied from Wu and that this in an important indicium of obviousness, citing *Windsurfing Int'l Inc. v. AMF, Inc.*, 782 F.2d 995, 228 USPQ 562 (Fed. Cir. 1986), *cert. denied*, 477 U.S. 905 (1986), and *Minnesota Mining & Mfg. v. Johnson & Johnson Orthopaedics, Inc.*, 976 F.2d 1559, 24 USPQ2d 1321 (Fed. Cir. 1992). As evidence of copying Wu cites testimony by Hornbostel (¶¶ 6-7, WuR 51, and ¶ 25, WuR Z5), Shaffer (¶ 5, WuR 14), and Tobias (¶ 8, WuR 22). This testimony is unpersuasive because it fails to establish that the SUPER CLUB®, ULTRA CLUB®, or the disclosure of the Wu patent (filed December 20, 1988) were available to Wang prior to the April 14, 1989, filing date of his involved patent, which discloses the details of the GORILLA GRIP®. The fact that the Wang and Wu devices are similar in many respects, including having the claimed automatic locking feature, does not imply copying.

XXXIII. Summary

For the foregoing reasons, I would enter judgment on the following four grounds:

(1) against Wang's sole involved patent claim on the grounds of anticipation by or obviousness in view of the involved Wu patent;

(2) against claim 12 of Wu's '975 application for lacking written description support;

(3) against claims 9-11 of Wu's '411 appifcation and claims 2 and 4 of Wu's involved patent for obviousness over Johnson, Moore, Wu ROC, and Grimaldi, and

(4) against claims 1 and 3 of Wu's involved patent for obviousness over Johnson, Moore, Wu ROC, Grimaldi, and Fang. Thus, in my view neither party is entitled to a patent containing any of its claims that correspond to Count 2, the sole count.

For the reasons given in their separate opinions, Judge Pate agrees with grounds (1), (2), and (3) but not with ground (4), and Judge Sofocleous agrees with grounds (I) and (2) but not with grounds (3) and (4).

)
) BOARD OF
___/s/____________________) PATENT APPEALS
John C. Martin) AND
Administrative Patent Judge) INTERFERENCES

Pate, *Administrative Patent Judge*, concurring in part.

I concur in the opinion of Judge Martin except with respect to the *sua sponte* holding of unpatentability with respect to Wu patent claims 1 and 3. I do not credit the testimony of Marotto to the extent that he states that the Grimaldi patent document does not show the blind bore to be blocked. Furthermore, it is my view that, whether or not Grimaldi teaches blocking the blind bore, it would have been obvious for one of ordinary skill to close the blind bore of Johnson as modified by Wu ROC, Moore, and Grimaldi to prevent a lock pick from being used to slip the spring-biased pawl off the ratchet teeth surface to permit axial movement of the rod. While I am of the view that blocking of the bore would have been obvious to one of ordinary skill in view of the combined teachings of the applied prior art, I do not agree that one of ordinary skill would have found it obvious to extended the blocking plug a sufficient distance in the bore to act as a pin to pin the lock housing to the tube. There is simply no teaching beyond the mere blocking of the bore that would have taught making the plug into a pin that serves an additional, and entirely separate, security function. Since this limitation is found in Wu patent claims 1 and 3, I do not concur in the determination that the APJ established a *prima facie* case of unpatentability with respect to these claims.

)
) BOARD OF
___/s/____________________) PATENT APPEALS
William F. Pate, III) AND
Administrative Patent Judge) INTERFERENCES

Sofocleous, *Administrative Patent Judge*, concurring in part and dissenting in part.

I find no abuse of discretion in the APJ's actions reviewed in Sections IV to XX of Judge Martin's opinion and I concur with Judge Pate's dissent concerning the patentability of Wu patent claims 1 and 3. I dissent with respect to Sections XXI to XXX of Judge Martin's opinion which holds that Wu's remaining claims are obvious. Having found that a *prima facie* case for obviousness was not made, I need not address any of the secondary considerations in Sections XXXI and XXXII.

I do not agree with the majority's holding that Wu '975 claim 12, Wu '411 application claims 9 to 11 and Wu patent claims 2 and 4 corresponding to the count are unpatentable for obviousness over the combined teachings of Johnson, Moore, WuROC, and Fang. In my view, it would not have been obvious to one of ordinary skill in the art to have modified the apparatus of Johnson by replacing its dead bolt locking mechanism with a ratchet-type locking mechanism as taught by WuROC. I agree with the party Wu for the reasons stated in its brief that the Johnson patent teaches away from such a modification in view of Johnson's express teachings that a ratchet-type locking mechanism is disadvantageous. I further agree with the party Wu that there would have been no incentive or motivation for one of ordinary skill in the art to modify the apparatus of Johnson as suggested by the majority, since none of the references teaches or suggests that the Johnson dead bolt locking mechanism is disadvantageous to use, thereby providing incentive or motivation to replace the dead bolt mechanism with another type of locking mechanism such as a ratchet-type locking mechanism.

)
) BOARD OF
/s/) PATENT APPEALS
Michael Sofocleous) AND
Administrative Patent Judge) INTERFERENCES

JUDGMENT

For the reasons given in the foregoing opinions, judgment is entered against claim 1 of Wang's involved patent 4,887,443 because of anticipation by or obviousness in view of Wu patent 4,935,047. Accordingly, Wang is not entitled to his patent claim 1, which corresponds to Count 2, the sole count.

Judgment is entered against claim 12 of Wu Application 07/627,975 for unpatentability under 35 U.S.C. § 112, first paragraph (written description requirement). Judgment is entered against claims 9-11 of Application 07/478,411, claim 12 of Wu Application 07/627,975, and claims 2 and 4 of Wu patent 4,935,047 on the ground of unpatentability for obviousness over Johnson in view of Moore, Wu ROC, and Grimaldi. Accordingly, Wu is not entitled to a patent containing any of the foregoing claims, which correspond to the count. Wu is, however, entitled to claims 1 and 3 of his Patent 4,935,047, which also correspond to the count.

Interference No. 102,654

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

98-1553

WINNER INTERNATIONAL ROYALTY CORPORATION,

Plaintiff-Appellee,

v.

CHING-RONG WANG

Defendant-Appellant.

ORDER

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

ORDER

A combined petition for rehearing and petition for rehearing en banc having been filed by the Appellant, and the petition for rehearing having been referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on March 13, 2000.

FOR THE COURT,
/s/
Jan Horbaly
Clerk

Dated: March 6, 2000

FILED
U.S. COURT OF APPEALS FOR
THE FEDERAL CIRCUIT
MAR -6 2000
JAN HORBALY
CLERK

cc: Joseph A. Yanny
Kenneth A. Lapatine

WINNER INTL V WANG, 98-1553
(DCT - 96-CV-2107)

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Note: Pursuant to Fed. Cir. R. 47.6, this order is not citable as precedent. It is a public record.

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